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BRYANT & STRATTON'S
Fourth Edition
NATIONAL
BOOK-KEEPING:

AN
ANALYTICAL AND PROGRESSIVE

TREATISE ON THE SCIENCE OF ACCOUNTS

AND

ITS COLLATERAL BRANCHES.

PREPARED AS

A BOOK OF REFERENCE FOR THE COUNTING-HOUSE,

AND ALSO AS

A TEXT-BOOK
IN HIGH SCHOOLS AND ACADEMIES.

BY

H. B. BRYANT AND H. D. STRATTON,
FOUNDERS OF THE INTERNATIONAL CHAIN OF COMMERCIAL COLLEGES, LOCATED IN THE PRINCIPAL CITIES OF THE U. S.
AND THE DOMINION OF CANADA,

AND

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RESIDENT PRINCIPAL OF THE NEW YORK CITY MERCANTILE COLLEGE, 18 AND 19 COOPER INSTITUTE.

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PREFACE.

We offer no apology for adding this treatise to the almost endless list of text-books on commercial science. If it is not needed, the verdict of the public—from whose decision there is no appeal—will so be rendered; if it is, the same tribunal must announce the fact, and all the special claims, and *ex parte* statements put forth as an advertisement, by interested parties, will have little weight in the decision.

The steadily increasing importance attached to commercial pursuits, and the very general attention which this branch of industrial economy is exciting throughout the civilized world, have, within the past few years, awakened such an interest in all efforts tending to promote its advancement, that whoever may say or do aught that shall add to the general momentum, can have the consciousness at least, that his effort will be felt, whether or not the hand that gave force, or the thought that directed, are recognized in the result.

While we are free to admit that considerations of a more personal nature have impelled us somewhat in this task, we will not affect an indifference which we do not feel, as to the part we may thus be acting in the great purposes of life, or the value which may be put upon our labor by those whose good opinions we crave.

We understand the true object of a text-book to be the imparting of knowledge in some particular department of art or science. In the preparation of such a work the following prerequisites are essential:

1. A comprehensive understanding of the subject treated;
2. A particular knowledge of the difficulties to be overcome in the mind of the learner.

The very fact of the appearance of this book then, must be presumptive evidence that its authors claim for themselves the above qualifications; a point which it would be mock-modesty to attempt to evade. As to the grounds of this assumption, they may be permitted to observe that many years' active employment, both in the practical departments of commercial life, and in the arduous duties of professional teaching, have given them a degree of confidence, which might otherwise be deemed presumption. In their special department of labor, they have keenly felt the want of a work which should serve them in matters of reference, and give to oral instruction the additional force of well-digested propositions, clearly-expressed principles, and adequate forms; a work suited not only to the tastes and wants of private students and adepts, but to the more general purposes of the class-room. Having made the specialty of instruction in Book-keeping and its collateral branches a life-business, they have not been content to accept as *ne plus ultra*, the crude and ambiguous formulas which constitute the chief merit of the earlier authors in this science. They are troubled with no superstitious veneration for those monuments of unrequited labor, which, in the twilight of commerce acted so important a part in the then slowly-moving machinery of progress; desiring rather to do those authors the simple justice of awarding to them the credit of being fully up to the requirements of their time. Benjamin Franklin first discovered the laws of electricity, and Robert Fulton made the first application of steam in navigation; and yet, who at this age would think of consulting the works of Franklin for practical hints on telegraphing, or of Fulton as to the construction of steam-engines? As pioneers in developing the hidden laws of powerful agents, these men and their labors cannot be overrated; but the more wonderful developments of the present day, show them to have made but an almost imperceptible beginning. It may not be that the improvements which have followed the primary enunciation of "equal debits and credits"—supposed to have been evolved through the necessities of Italian commerce—have been so marked and distinctive as the various steps in the progress of steam and electricity; but it cannot be denied that the impetus which, during the last twenty years, has been given to commercial education in all parts of the country, first by the demands of commerce itself, and next through the laudable efforts of teachers and authors who have given the matter their special care, has rendered necessary a higher grade of exponents than those wonderful appropriations of "poetic license" which at one time threatened to convert all the Arabic numerals into "figures of speech."

PREFACE.

We believe that the science of Accounts is, eminently, a *teachable science*; and that the most that is necessary is to bring its terms within the comprehension of the learner, and to place in the hands of the teacher an assistant which can be relied upon to do thorough work. In the preparation of these pages, we have had special reference to the wants of the profession; and in reviewing the labor, we have the assurance of our more deliberate judgment, that if the hints and instructions, here inculcated, are faithfully carried out, there can be no doubt as to the most favorable result.

Above all, have we aimed to make the work practical and expressive of the times; and while we have not deemed it unimportant that at the outset the broad principles of the science should be distinctly announced, and rigidly enforced, we have studiously sought to make the transactions themselves do the chief work of interpretation.

We are fully aware that there may exist honest differences of opinion among teachers as to the best mode of conveying instruction; differences affecting not the principles taught, but the method of teaching; and that, often, the statement of a vital proposition may afford such an open field for discussion, that among professional teachers, at least, such a thing as perfect harmony in all the diversified shades of reasoning is impossible. This is as it should be. A teacher who is worthy of the sacred profession he has chosen, must be endowed with powers that belong exclusively to himself. One cannot be a teacher and not a thinker; and one cannot think without forming decided opinions; and he who has an opinion, and dare not give it expression, is possessed of a degree of modesty which will be very apt to be mistaken for cowardice.

We would desire to call particular attention to one feature of the work, which, while it is unique, must commend itself at once to the faithful teacher. We allude to the plan of following each illustrated and explained set, by a series of "exercises for the learner," embracing all the principles of the preceding set, to which the student, unaided, must give form and expression. No better test of proficiency could be given, and teachers should be careful that no part of these exercises be omitted.

In its adaptation to the general wants of the tradesman, the farmer, and the merchant, we have sought to make the work acceptable to the various classes interested in the science. It cannot, of course, be expected that, in so limited a space, every shade and variety of transaction and form will be given; but we have done sufficiently, we think, to show the adaptation of Double Entry to every department of business.

In conclusion, we would say, that in the inception and prosecution of this work—and in this view it has been truly a "labor of love"—we have had constantly in mind, first, the wants of the young men of the country, who, yet unexperienced in the drudgery of commercial pursuits, are looking forward to, a "position in life," and ready to use with diligence, any honorable means promotive of the great end; next, of that other great class who have passed from the chrysalis state into the open world of active employment, but are yet careful to lay hold of whatever may promise the instrument of real advancement; and last, though by no means least, of that worthy army of self-sacrificing men and women, who, content with the humble lot and fortunes of the teacher, seem to be living in a world of their own, but living for the good of others, and who are, perhaps, of all others, best qualified to judge of the faithfulness of our labors. Of the first of these three classes, we have worthy representatives under our special daily care; of the second, thousands have gone out from us, and are doing for themselves and their country in almost every city and hamlet in this broad union of states; while among the third class, we are proud to reckon many of the most endeared and respected of our personal friends. In the hands of such we are willing to trust our labors, feeling well assured that if, in criticising the work, they "nothing extenuate," they will be equally cautious to "set naught down in malice."

18 COOPER INSTITUTE, NEW YORK 1860

BRYANT, STRATTON & PACKARD.

A SHORT ADDRESS,

RESPECTFULLY DEDICATED TO THE YOUNG MEN OF THE COUNTRY.

Every human life has its purpose, as every thing in nature its uses; and, however much the desire may grow to evade the responsibilities which rest on each individual soul, or to absorb them in the general application to the race, or to whatever extent we may throw ourselves upon the soothing thought—

"There is a Divinity that shapes our ends,
Rough-hew them how we will;"—

still ever within the heart there lives a consciousness that, in the duties of life, every one must answer for himself, and not another. This very consciousness is the key-note of existence, lending to life its charms, and to society its surest safeguard. We desire to accept it as the basis of a few suggestions, which we think not out of place in this connection.

Let us come, then, directly to the point: What is *your* purpose in life, and how do you hope to accomplish it? Do you desire riches? You have but to stretch forth your hand and take them. Honor? It is yours for the asking. Fame? Many less noble and talented have won it, and so may you. Friends? They will come of their own accord, if you get but the others. There is, indeed, a wonderful potency in the human will, and an efficiency in human hands scarce dreamed of by the brightest visionary. But let us separately consider these desires, and the avenues which lead to their consummation.

I. RICHES.

It is folly to contend against this desire, even on moral grounds; as he who would be able to make the clearest case, would still fall in convincing *himself* that a "reasonable" share of this world's goods would necessarily disqualify him for the highest state of human enjoyment. Even the Prophet, speaking through inspiration, as positively denounces poverty as its opposite; and the world has yet to see a philosopher, of whatever school, who would not make *himself* an exception to any rule which would constitute the getting of riches a moral wrong. The possession of wealth is, in itself, neither good nor bad. It is only the *use* of money which circumscribes its moral tendencies. Even the Bible—that highest text-book of morality—does not denounce riches *per se*. It is not money, but the *love* of it which is called "the root of all evil." To desire riches, then, is no evil. On the other hand, we consider it to be not only legitimate, morally speaking, but highly commendable. The possession of wealth not only adds to one's importance in the community, but places within his power almost limitless opportunities to do good. There is not an enterprise, having for its object the bettering of human condition, that does not depend, in the greatest measure, for its usefulness, upon money. Through its potency, states are inhabited, churches erected, knowledge diffused, the avenues of commerce kept open, industry rewarded, genius fostered, and the refining influences of civilization strengthened and perpetuated. The acquisition of wealth, then, for the good it may do, is a worthy purpose of life. How shall it be accomplished? If one may judge by the flaming advertisements which disgrace the columns of our daily papers, there is no method which ingenuity can devise, or rascality concoct, that is not resorted to for this end; and the world will probably never be so good or so wise, this side of the millennium that such will not be the case. To become *suddenly* rich, is the passion of the age; and if one out of every ten thousand, and who run the gauntlet of this mad ambition, succeeds, the nine thousand nine hundred and ninety-nine disastrous failures are lost sight of in the dazzling effulgence of that one success. Like policy-dealers, who

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blind the eyes of willing victims to the almost inevitable result of their folly, by dwelling alone upon the magnificence of coveted but inaccessible prizes, so the deluded and deluding followers of mammon cheat their own better judgment in the wild pursuit of impossible fortunes, expecting, despite experience to the contrary, by some *grand coup d'état* to surprise the strongholds of wealth, and take her captive.

It is not thus that sensible people seek to grow rich, nor thus that we would prescribe the means. Our suggestions on this head, though possessing not the freshness of novelty, nor the charm of mystery, shall be to the point. The three prerequisites to this enviable and attainable condition are: *honesty, industry, and frugality*; three homely virtues, whose names are as "familiar in our mouths as household words," and which are as necessary to our personal comfort and self-respect as is the condition they would bring about. We are, in truth, the architects of our own fortune; and this is the sweetest consideration of all. That which has become ours by patient, honest, unremitting endeavor, will be appreciated, and we shall the better know how to dispose of it. Again, true riches cannot be wholly measured by any known financial standard. Wealth is a purely comparative condition, and its extent has less to do with the number and significance of the figures composing its total than the relation which those figures bear to the real necessities of life. He who has enough for his own immediate wants—who owes no man any thing, and is not fostering in his own heart a brood of extravagant desires, is "comfortably rich." He who has more than this, is, to that extent, *wealthy*. To such a position, it is not only the privilege but the duty of every young man to aspire; for not only will the coveted prize repay all his exertions, but every well-meant endeavor will bring its own immediate reward in developing the internal resources, in raising the standard of self-respect, in enlarging the capacities of enjoyment, and in begetting the self-consciousness of having performed one's part and lot in the world.

2. HONOR.

To be esteemed of men, is also a commendable desire; and, next to riches, is it the ruling passion of life. It is, in fact, to this end that most men desire riches. That position in life, however, which is the mere contingency of wealth, will not repay the effort necessary to acquire it. To be *truly* esteemed of men, is to be the possessor of qualities which money cannot buy. To be worthy of that esteem, is the highest social position attainable in this life. How shall it be reached? Everybody has heard that "honesty is the best policy;" and the truth of the maxim is substantiated in every phase of human history: but if no higher moral ground than this were possible, we should despair of ever witnessing a correct standard of honor. Honesty which springs from motives of *policy*, deserves not the name. It is akin to that bastard friendship begotten of selfishness, and is not entitled to a place on the list of virtues. To be truly honorable, all actions must spring from pure motives, and pure motives can rest only on correct principles. So we come down to the position that *correct principles* alone can produce that "noblest work of God"—an honest man. But how is one to judge of correct principles? We might answer as most moral instructors would: Go to the Bible. The answer would not be amiss; and yet, there is planted within every human breast a little monitor, the pure instincts of which are as unerring as truth itself. An appeal to conscience will invariably settle the little perplexing questions which sometimes become so inwrought in the very constitution of moral actions as to threaten the utter destruction of all safeguards. It is through neglect of this appeal that so many hundreds of names are yearly added to that dishonored catalogue of "ruined young men." The *first* step in a wrong direction is always the most difficult. One such step, unrepented of, is a sure precursor to a course of infamy. No young man, at the beginning of his career, coolly premeditates a life of dishonor; but, having once launched upon the tide, he is like the impotent boatman who permits his craft to drift into the rapids of Niagara. Occasionally one such, in his swift descent toward the awful chasm, may strike upon a friendly rock, as did poor Avery; but, as in his case, the relief will be but temporary, and the wild hopes of rescue will only add pang to the certainty of destruction. Honesty is the best policy; and better than that, it is as the right hand of God; a "present help in every time of need."

3. FAME.

This is an empty bubble, at best, though men have willingly yielded up their lives to secure the heritage for their children. It has been truly said that "some men are born great, others achieve greatness, while others have it thrust upon them." As, in this country, the first of these conditions is impossible, and the last inaccessible by any human effort, there remains but the process of achievement for those who desire to be famous. It will be apparent to the most careless observer, that the very existence of fame is dependent upon its opposite, as the existence of a mountain would be impossible without its contiguous plain or valley. As the height of a mountain is estimated by the distance of its summit from "the level of the sea," so is the extent of a man's fame measured by his relative distance above the level of society. He who would court

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Fame, then, must not be content to do as well as others. Negative virtues count as might in such a contest and no one who has not the positive qualities of energy and perseverance can hope for success in this endeavor.

4. FRIENDS.

Sentimentalists talk of friendship as self-created connoisseurs in art point out the beauties of an Italian landscape, or a boarding-school miss would apostrophize "a love of a bonnet." So widely prevalent is the disgust which these sickly views of the noblest of human sentiments have produced, that we are fast becoming infidels on this point; and no opinion is more common or more freely expressed than that "friendship is but a name." We are not willing to accept this conclusion, for many reasons. First, history proves its fallacy; and next, to yield this point, would be to strike from the world every living virtue; for if pure, unselfish friendship does not exist, then truth has no abiding-place, and love, the sum of all the virtues, would be without foundation. It is the privilege of every young man to contribute to a healthier sentiment in this regard, first by deserving friends, and next by enjoying them. By friends we mean not those summer birds who twitter about the opening petals of our joy, and sing in the branches of our prosperity, while the warm sun gives life, and the soft breezes stir the tender foliage. Flatterers are not friends, how musical soever may be the sweet cadences of their adulation. Those, and those only, are our friends in the mirror of whose hearts the angles of incidence and reflection are rendered equal from a surface unruined by pride or any selfish quality—who can tell us of our faults as they would point out a malady which threatened to undermine our health—not for the gratification it may give them, or the mortification us, but that efficient means may be taken for its eradication. As a father affords the strongest proof of love for his child by inflicting pain that good may follow, so the surest test of friendship is a fealty to our good which will not shrink from any duty towards us, however unpleasant, or liable to be misconstrued. Again, society is not so depraved as we are apt to think, and men will learn to put a true estimate on character, entirely independent of extraneous considerations. Beauty and symmetry have charms, even to those who are themselves most uncomely; and if one desires the acquisition of such friends as will not desert when most their friendship is needed, the surest method of obtaining them is not to seek by flattery and fawning, or at the expense of one particle of self-respect, but to *deserve* by a life and character which must force them into the ranks. One friend thus secured is worth a thousand flatterers who live in the sunshine and die in the storm.

We have thus briefly reviewed some of the important desires which actuate young men in adopting rules of conduct which are to regulate their lives. Let us, a little more explicitly, consider the points which bear upon

THE CHOICE OF VOCATION.

Very few young men before fairly starting in life have any decided predilection for a special calling. It is true that the organ of hope, which so preponderates in the earlier stages of life, draws extravagant pictures of what we shall be "when we are men;" but even this ambition changes with the shifting panorama which produced it; and we run in imagination, through the entire category of professions and positions, impelled alone by the distant halo, which in our youthful wonder, surrounds the objects of our envious regard.

It is, perhaps, as well that this is so; for no decision abstractly made, and without experience to give it force, would bind our ripper judgment, if not in accordance with it. Besides, it is absolutely impossible thus to dispose of our future selves. For instance, it is one of the peculiar and fascinating doctrines of our republic, that the highest positions of honor and emolument are open to its children. It is common when referring to the humblest scion of the humblest stock—"the unwashed democracy"—to remark, "Here may be a future president," or, "Disguised in that torn and faded apparel is an embryo governor;" and history is not wanting in examples to prove that, in this country at least, the end of human success can never be estimated from its basis, every ambitious young man should say: "There is nothing in my birth, position, or constitution which can stand in the way of my elevation to the presidential chair; it is worthy of my best efforts, and I will not rest until that purpose is accomplished." The very supposition proclaims its own folly. It is true that all aspirations of this kind may be legitimate; but, considering how few presidents are chosen in each generation, the chances for such preferment are even less than that of obtaining the chief prize in a lottery scheme by the purchase of a single ticket. A great man—one who was himself nearer to the realization of this fond dream than any other who failed—has left on record a sentiment which does him more honor than would the office he coveted. It is appropriate here: "I would rather be *right* than president." If this be the ruling ambition in life, the accident of place—for it is, at best, but an accident—will be valued only as it can be made best to subserve the higher purposes of existence. "I was once called upon," said a popular divine, "by a conscientious member of my church who confided to me the secret wish of his heart to become a preacher of the Gos-

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pel. He was a banker, able, consistent, and prosperous, and he desired my advice as to the propriety of forsaking his chosen vocation, that he might the more effectually win souls to Christ. "Preach the Gospel, I said to him, 'by all means! Preach it daily and hourly; but do not forsake your business. Your counter is your best pulpit, and the sermons which speak through the common transactions of life have efficacy such as seldom follows the exhortations of those who make a profession of Theology, and are paid to preach the Gospel." There is common sense as well as sound theology in such advice; and so we would say to every ambitious young man: Be not so careful concerning the particular line of your duties, as you are to make your position the means of scattering blessings around you.

Again, young men are apt to be impatient of preferment, and to place a higher estimate on the intrinsic value of their services than the state of the market will warrant. "I have one objection," said a shrewd business man to us, "to employing graduates of Commercial Colleges. They are apt to think when their preliminary studies are finished, that they know all that is worth learning, and to value their services accordingly. This remark does not apply alone to the graduates of colleges, however truthful it may be in this application. It indicates a constitutional weakness which, like the measles and whooping-cough is quite sure to visit us all at some stage of life. If the disease can be forced outward, or, as physicians say, "driven to the surface," it may be of short duration and leave the system in better condition than before the attack; but if it "strikes in," much skill and courage is required to take the patient safely through.

Of one thing aspirants for position and preferment may rest assured, that the business world will put an estimate on every man entirely independent of his own self-valuation, and in strict accordance with his merits. The universal law of "supply and demand" is as inexorable in prescribing social position as in regulating the markets; and the surest way to attain to a certain desirable point is to cultivate those qualities which are essential to its duties. That detestable cowardice which whines at the "fickleness of fortune," and lays such serious charges at the door of an "unappreciating public," should be purged from every heart. Whoever would win for himself a place must expect to contest the ground, inch by inch, using each obstacle to overcome as a stepping-stone to his own advancement.

Above all, let us earnestly beseech you, do not wait for something in the future which, to your unpractised eye, promises greater reward than that which is at present attainable. If, by a well-directed effort, you can secure the starting-point which you most desire, as congenial to your tastes, and, in your judgment possessing the germ of success, strike out boldly and fearlessly. Should you fail in this, do not despair, but turn your attention to the next most desirable object. There is nothing so hopeful of future success as *present employment*. Never be idle. There is always something for willing hands to do; and no class of persons have less favor with right-thinking men than those who are "out of employment."

Do not set your heart upon city life. It is a mistaken idea which seems to have taken possession of certain young men reared in the country, that the surest road to wealth and distinction leads through the metropolis. It is true that the majority of those who are eminent for wealth or talent in the large cities are country born; but they compose a meagre share of that almost ceaseless tide of influx which is daily swelling the ranks of the restless horde of adventurers clamorous for something to do—any thing to obtain a foothold in the city. It is true that young men are wanted in every avenue of city life, and that without them the very channels of commerce would become stagnant; but there is already an over supply of those "to the manner born," while beyond the limits of city life there are fields of adventure, and enterprises of industry, actually suffering for strong hands and stout hearts. Besides, there are no qualifications which would secure eminence in city life, that may not be made equally productive, if not more so, in less populous districts. In all large commercial centers, every department of industry is filled with competitors, a few only of whom can, in the nature of the case, stand at the head of their business. In the country, competition is less severe, and appreciation assumes a more genial type. In large cities, the eternal strife necessary not only to obtain position and wealth, but to retain them, tends to selfishness and moroseness, shuts out the nobler heart-qualities, fossilizes the affections, and makes men recreant to their own better natures. We do not say that this is so, necessarily; but the commonest observation will substantiate its essential truth.

In conclusion, we would say to the young men, and particularly to such as are about entering upon busy life: Be in earnest. Whatever is worthy of your attention at all, is entitled to your best energies of thought and action. Do not despise the day of small things. If you would be sure of success in any department of life, earn it. Do not place a false estimate upon yourself, but accept the estimate of others as the safest standard upon which to act. Never despair of obtaining what you desire, and have a right to possess. Seek to rise upon your own merits, rather than through the favor of friends. Do not defer action, in hopes of some better starting-point in the future. In whatever you do, act from principle, appealing to your own conscience, and the revealed Word for decision in every doubtful case.

If, by adhering to all these requirements you should at length fail of riches, honor, fame and friends, you may still have the consciousness of a life well spent, and an eternal reward.

INTRODUCTION.

'BOOK-KEEPING is the faithful and systematic record of business transactions.

'All business transactions consist in an exchange of values; and hence, 'Book-keeping is the science by which these exchanges are recorded and their results shown.

'There are two methods of Book-keeping in general use, distinguished as *Single* and *Double* Entry. Both of these methods may be made to show the same general results, but 'the latter is conceded to be greatly superior, both from its better facilities for developing results, and its more excellent tests for determining the correctness of the work.

'The characteristic feature of Double Entry may be inferred from its distinctive title. 'Each transaction must be entered to two or more Ledger accounts, as two or more persons or things are affected thereby.

'The three main books used in Double Entry are the Day Book, Journal and Ledger. 'The Day Book and Journal are sometimes combined in one.

'The number and character of the auxiliary books depend somewhat on the nature and extent of the business, but more on the amount and kind of information desired. Of these we shall speak more fully hereafter.

"THE DAY BOOK

Is the book of original entry, and contains a consecutive history of the transactions in the date and order of their occurrence. "It should be plain, concise, and unequivocal in its statements; neither confusing the mind by redundancy of language, nor leaving room for improper inferences from lack of sufficient explanation. "As the records in this book are supposed to be made when the transactions and all the circumstances connected therewith are fresh in the mind, it is the only book allowed in court, in cases of litigation. "Its importance, from this fact, and also on account of its being the basis of all the results shown by the other books, cannot be overrated.*

* There is, perhaps, no one thing leading more directly to unpleasant and mischievous results than the lack of clearness in the original record of transactions. So palpable is this fact to the minds of many experienced business men, that they insist upon putting in black and white every thing which may affect the interests of any party, however remote; writing out all contracts in full, and even preserving the *signatures* upon which all agreements are based. We cannot too strongly commend this practice, either in connection with the Day Book, or in a book kept for the purpose. Much of the difficulty growing out of misunderstandings would be readily avoided by reference to all the circumstances affecting agreements; and particularly if these circumstances are written down at the time of such agreements.

INTRODUCTION.

"THE JOURNAL"

Is distinct from the Day Book, inasmuch as its special use is to decide upon the proper debits and credits involved in each transaction, preparatory to their entry upon the Ledger. "It is sometimes combined with the Day Book, and sometimes omitted entirely, "its labor being performed mentally. Its essential character and convenience, however, are not to be questioned, "and the improvements which have been instituted in its form have rendered it not only important as an interpreter, but valuable for labor-saving purposes."

"THE LEDGER"

Is the merchant's encyclopedia. All other books of the series are subservient and tributary to this. "Here are shown the results of all the transactions, arranged under distinct and appropriate heads, called accounts. "Each account has two sides, a Dr. and a Cr., each governed by well-defined conditions, and showing certain important facts bearing upon the general result.

FORM OF THE PRINCIPAL BOOKS.

We give below the usual forms of the three principal books, showing their characteristic records of the same transaction :

1.—Day Book.

NEW YORK, JANUARY 1, 1859.

Check-mark.	Statement of transaction.	Date		
			Dollars.	Cents
✓	Bought of James Monroe, on account, 500 Bbls. Flour @ \$10	2	5000	
✓	Sold Andrew Jackson, for cash, 100 Bbls. Flour @ \$10.50		1050	

2.—Journal.

NEW YORK, JANUARY 1, 1859.

Page of Ledger.		Dr.	Cr.
		Dollars.	Cents.
1	Merchandise Dr.		
2	To James Monroe	5000	
2	Cash Dr.		
1	To Merchandise	1050	
			1050
	Ledger Titles.	Dollars.	Cents.

INTRODUCTION.

3.—Ledger.

Date		Dr.	MERCHANDISE.				Cr.	1			
Month.	Day.	Explanation or Opposite Ledger Title	Page of Journal.	Dollars.	Cents.	Month.	Day.	Explanation or Opposite Ledger Title	Page of Journal.	Dollars.	Cents.
1859 Jan.	1	To James Monroe	1	5000		1859 Jan.	2	By Cash	1	1050	

JAMES MONROE.

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CASH.

1859 Jan.	2	To Mdee.	1	1050								
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MERCANTILE TERMS.

LEDGER ACCOUNTS.

"Every person, species of property or cause, which enters into the transaction, producing a debit or credit, is designated by a name, which appears upon the Ledger, and is known as an Account. Each account has two sides, one of which ("the left-hand side") is called Debtor, and the other, ("the right-hand side,") Creditor.

DEBITS AND CREDITS.

"These terms are contradistinctive, and are used to denote the relation in which persons, property and causes stand to the business. "In every transaction the sum of these must be equal. Various authors and teachers have spent much effort, and exhausted both time and ingenuity to bring these terms to the test of some general and "infallible" rule; while others have gone so far in the opposite direction as to insist that the items of which they are composed "would form a list of incongruous facts, having no object in common." Their true significance and use can be ascertained in no way so well as by noting particularly their application to the various objects and causes which enter into each transaction. "Each Ledger account, by the use of these terms, is made to show an important result of itself.

INTRODUCTION.

RESOURCES AND LIABILITIES

"Any kind of value belonging to the concern is a Resource, and "any debt owing by the concern is a Liability.

Case:

Is the title to designate money. "The Cash account in the Ledger is debited with all receipts of cash, and "credited with all disbursements. "The difference between the two sides must, at any time, exhibit a resource of the exact amount of cash on hand. "It will be evident that the credit side of Cash account cannot exceed the debit, as more cash cannot be paid out than has been received.

BILLS RECEIVABLE

"By this title is meant all written obligations of whatever form, in our possession, for which a certain specified amount is to be received. "The Bills Receivable account is debited with notes received, and "credited with those disposed of, or in any manner canceled. "The excess, if any, must be on the debit side, and will indicate that portion of our resources consisting in notes.

BILLS PAYABLE

"By this term is meant the written obligations of the concern, for which a specified amount is to be paid. Under this head are placed, on the credit side, "our notes and acceptances issued, and on the debit side, "such of them as have been redeemed. "The difference, if there be any, must exhibit our outstanding notes, or our liability on unredeemed paper.

MERCHANDISE

*This term may be more or less general in its application, according as it embraces a larger or smaller variety of property. It usually implies all property purchased or owned by the concern for purposes of traffic, and *remaining in store*. It generally embraces all such

* There are, in common use, two forms of written obligations known as "negotiable paper." One is called a *note*, and the other a *draft*, or *acceptance*. They are precisely similar in their legal effect and value, differing only in form, from the different circumstances of their origin. A *Note* originates with the *payer*, and is a voluntary promise to pay, thus:—

NOTE

\$1000. **NOTE.** Sixty days after date I promise to pay B. B. Packard, or order, one thousand dollars, for value received. 18 COOPER INSTITUTE, New York, July 1, 1889.

H. B. BRYANT.

A Draft originates with the person on whose account the payment is to be made, being in the form of a request thus:—

DRAFT.

\$1000. DRAFT. New York, July 1, 1888.
Sixty Days after date pay to H. D. Stratton, or order, one thousand dollars, value received, and charge to
the account of
T. H. B. BAKER.
H. S. PACKARD.

18 COOPER INSTITUTE, New York.

To make the latter equivalent to the former, it is necessary that the person on whom it is drawn, or of whom the request is made, should respond, which he does by writing across the face "Accepted," and signing his name. This is now as virtually a "promise to pay" as the other, and there is no commercial difference between the two.

INTRODUCTION.

property, "unless the merchant, being curious to know his gains or losses on a particular kind, opens a separate account with that particular kind, under its own special title. "This account, or any of its correlative titles; is debited with the cost of the property represented, and "credited with its returns. As this kind of property has no standard or stipulated value, like cash and notes, but is usually bought at one price and sold at another, it will be evident that the difference between its sides cannot represent an exact resource; but, rather, "the debit showing its cost, and the credit its proceeds, the difference must be a gain or a loss. "This is the case, provided we reckon with the proceeds from sales the real value of that which remains unsold.

REAL ESTATE.

"This relates to such property as houses and lands, and "the account is similar in its objects and teachings to that of Merchandise.

BANK STOCK, RAILROAD STOCK, ETC.*

"Accounts of this kind are not dissimilar to Merchandise and Real Estate, inasmuch as stocks of all kinds are bought and sold at their *market* value, rather than the value written on their face.

SHIPMENT OR ADVENTURE.

"When property is sent away to be sold by an agent for us we should distinguish it from our merchandise in store by giving it a significant name, such as "Shipment to Buffalo," or "Shipment to A," our agent, or "Adventure" to the place sent. All such accounts are debited with their entire cost, and credited with their proceeds, the difference being a gain or loss. Should we desire to show the result of our business, before receiving advice from our agent, it is proper to reckon this property as a resource at its cost. "This is but another name for Merchandise, and is used to distinguish between property in store and *out of store*.

PERSONAL ACCOUNTS.

"Accounts representing personal indebtedness, and designated by the proper names of such persons as sustain relations of debtor and creditor to the concern, are capable of showing either resources or liabilities. "They are debited with such sums as, from time to time, the persons may become indebted to the concern, or the concern has paid them, and "credited with what they have paid the concern, or the concern may have become indebted to them. "An excess of debits in a personal account will thus show a resource, and "an excess of credits, a liability.

STOCK.

Beginners are apt to misapprehend the term "Stock," supposing it to relate to some kind of property, or rather to property in general. Such is its common signification, but "when used as a Ledger title, it means simply the proprietor of the business, or the *stock-holder*. "There would be no valid objection to using the proprietor's name instead; "but as no real

* For a full description of Stocks, please refer to page 185.

INTRODUCTION.

good would result from the change, authors, teachers and practical accountants have been content to accept the term which custom has suggested.

This account is usually the first opened in the Ledger, and is important to show "the net investment. It is generally credited with the whole investment, and debited with such liabilities as the concern assumes to pay for the proprietor. The difference is the net investment, or what the concern owes the proprietor. "It is not customary to use this account during the business, except for the purpose of recording subsequent investments; but it will appear evident to any studious mind that "it would be philosophically correct to credit the account with *any* increase of resources, either from actual investment, or from the gains of the business, *just as often as such increase occurs*; as also to debit it with amounts drawn out by the proprietor for his private purposes. "Such a course, however, would be attended with many difficulties, and we would, by no means, recommend its adoption; particularly as the same result is achieved with much less labor by the usual method.

From the foregoing remarks we gather the following

GENERAL PRINCIPLES.

I.

The person or persons investing in the business should be credited, under some title, for all such investments, and also for his or their share of the gains. On the other hand, he or they should be debited for all liabilities assumed by the concern for him or them, for all sums withdrawn by him or them from the business, and for such losses as he or they are entitled to share.

II.

Cash account should be debited for all cash receipts, and credited for all disbursements.

III.

Merchandise, and all species of property bought upon speculation, should be debited, under some appropriate head, with the cost of the property represented, and credited with its proceeds.

IV.

Bills Receivable account should be debited with other people's notes, acceptances and other written obligations when they become ours, and credited when they are paid, or otherwise disposed of.

V.

Bills Payable account should be credited with our notes, acceptances, or written promises to pay when they are issued, and debited when they are paid or redeemed.

VI.

Personal accounts, such as the names of persons, banks, or other institutions competent to sue or be sued, should be debited under their proper titles when they become indebted to us, or we get out of their debt, and credited when we become indebted to them, or they get out of our debt.

INTRODUCTION.

VII.

All expenses, of whatever name, should be debited with the outlay, and all causes, of whatever kind, producing us value, should be credited, under some name, for the amount thus produced.

The foregoing principles are all embraced in the following simple

Formula.

DEBIT WHAT COSTS THE CONCERN VALUE, AND CREDIT WHAT PRODUCES THE CONCERN VALUE.

QUESTIONS FOR REVIEW.

Appropriate answers to all the following questions may be found in the foregoing remarks. The student should be able to give them without hesitation before proceeding to the main portion of the work. The teacher will, of course, exercise his own judgment as to the thoroughness of this review, and not confine himself necessarily to these questions.

1. What is book-keeping? 2. In what do business transactions consist? 3. What has book-keeping to do with the exchange of values? 4. How many methods of book-keeping are there, and how are they distinguished? 5. Which is the better method, and for what reason? 6. What is the characteristic feature of Double Entry? 7. Why must each transaction be entered twice on the Ledger? 8. What are the three main books in Double Entry? 9. Which two are sometimes combined in one? 10. Upon what do the number and character of auxiliary books depend? 11. Describe the Day Book. 12. What should be the character of Day Book expressions? 13. Why is the Day Book alone produced in court? 14. What other importance has it? 15. What is the special use of the Journal? 16. Is it ever omitted? 17. When such is the case, how is its labor performed? 18. Why is the Journal an important book? 19. What is the character of the Ledger? 20. What is shown in the Ledger? 21. How many sides has each account, and what are they? 22. What is an account? 23. Which is the debit side of an account? 24. Which the credit? 25. How are the terms *debit* and *credit* used? 26. What is a sure condition of debits and credits? 27. What importance is attached to Ledger accounts by the use of debits and credits? 28. What is a Resource? 29. What is a Liability? 30. What is meant by the term Cash? 31. For what is Cash account debited? 32. For what credited? 33. What is shown by the difference between the sides? 34. Why cannot the credit side of Cash be the larger? 35. What is meant by Bills Receivable? 36. For what is Bills Receivable account debited? 37. For what credited? 38. What does the difference show? 39. What is meant by Bills Payable? 40. For what is Bills Payable account credited? 41. For what debited? 42. What is shown by the difference? 43. What is usually implied by the term Merchandise? 44. What exceptions are there to this general application? 45. What is Merchandise account debited with? 46. With what credited? 47. What is shown by the difference? 48. Is this always the case? 49. When is it? 50. What is meant by Real Estate? 51. How is the account kept? 52. Wherein are accounts with Bank Stock, Railroad Stock, etc., similar to Merchandise? 53. What is meant by Shipment, or Adventure? 54. Wherein do such accounts differ from Merchandise? 55. What are shown by personal accounts? 56. With what are they debited? 57. With what credited? 58. What does an excess of debits in a personal account show? 59. An excess of credits? 60. What is meant by the term Stock? 61. Would there be any valid objection to using the proprietor's name instead? 62. Why is not this done? 63. What does Stock account show? 64. Is it customary to use this account during business? 65. Would it be improper to do so? 66. Why is it not done? The student should either commit to memory the seven General Principles laid down, or satisfy the teacher that he fully understands them. It is impossible that he should be able to proceed without the knowledge which they convey.

GENERAL PLAN OF THE WORK.

The design of this book is to supply what its authors have been led to consider an important deficiency in the high schools and academies of the country—the want of a competent text-book on commercial science. With this view, great care has been taken to make the instructions progressive, and as full as possible.

The first four sets—with their intermediate “Exercises for the Learner,”—are intended to establish, as far as possible, the *theory* of accounts. These sets, although each is distinct in itself, illustrate the continuation of the same business, from year to year, with such changes in proprietorship, and such varieties of success and adversity, as are usual in business. The process of opening a new set of books from the Balance account of an old, is here most thoroughly shown up, and cannot fail to give light upon a subject which is often calculated to confuse the tyro, viz.: the perfect analogy between a statement at *closing*, and a statement at *commencing* business. • The first three of these sets represent the business of a single proprietor, who, at the close of the third set, admits a partner, and the business itself undergoes an important change. Set 4, is both comprehensive and practical, written out in full, with numerous auxiliaries. The theory of Merchandise Company accounts, is here fully discussed and illustrated. The Day-Book and Journal are combined in one, and many important features are introduced. Set 5, is, perhaps, the most severely practical of the series, showing the routine and forms of a large Jobbing and Importing business. The materials for this set were obtained from one of the most extensive Importing and Jobbing houses in New York, and its importance cannot be over-rated.

The introduction of Single Entry books in the body of the work is an original feature, and one which we feel sure will be appreciated by teachers. Ample instruction is here afforded in Single Entry, with a view of changing to Double Entry. The position assumed by the authors is that the peculiar features of Single Entry can be better explained to one understanding the principles of Double Entry.

The Farmer's set, which succeeds, embraces new and important features, among which is the use of the six-column journal, and a few practical forms. In the transactions of this set, sufficient variety has been given to fully illustrate the adaptation of farming business to systematic and satisfactory record.

The “General Instruction” in the latter part of the book is necessarily circumscribed, and yet we trust its importance will not be overlooked. We have here been enabled to put forth hints and applications which could not well be done in connection with the main work. It is to be hoped that the teacher and student will not fail to consider this a part of the treatise.

Especially should care be taken to carry out the design of the work in writing up the series of “Exercises for the Learner.” This feature, more than any other, is relied upon to produce good fruits.

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SET I.

DAY-BOOK, JOURNAL, AND LEDGER:

REPRESENTING THE BUSINESS OF A SINGLE PROPRIETOR.

BUSINESS PROSPEROUS.

INSTRUCTIONS.

INSTRUCTIONS FOR SET I.

It should be the first care of every student to mark his own progress, not by the extent of his studies, but by the amount of useful information secured. Particularly should he be careful in entering upon a new department of study, to thoroughly comprehend each progressive step in the unfolding of its principles, that in their application, he will be enabled to constantly keep in view the *result* of his labor. There is no science more liable to be gone over by the easy process of *copying*, than that of Book-keeping, as it is presented in the majority of text books. It is essentially a science of *forms*—or, more properly, its principles are best shown through forms, which, being submitted, offer serious temptations to the mere copyist. We have endeavored to avoid this evil as far as possible, and have, therefore, left for the student plenty of brain-work, which, if he honestly performs, must advance him in the science. The general instructions given in connection with this set will apply with equal force to the succeeding work. They should, therefore, be properly heeded.

To the majority of learners the following forms, and the order of entry to be observed, will be immediately apparent; but for the benefit of those who may not observe so readily, and to follow out the original plan of this work—to divest the study of Accounts of even the appearance of mystery—we give the following brief exposition.

In writing up this first set, it will be well to employ loose paper. If it cannot be obtained readily properly ruled, let the student rule it for himself. This exercise will be found highly serviceable. First, copy the Day Book, observing well the form and expression. Do not copy the footings of the money column from the book, but perform the addition without assistance. First add the columns *upwards*, and then prove the result by adding *downwards*. Careful accountants usually write the amount in pencil and carry forward. This is to avoid *erasures*, in case any of the additions should prove, on examination, to be incorrect. The *best* accountants are generally those who do the least *scratching* in their books.

In *journalizing* the transactions, the careful student will always keep the Ledger in view, as the process is simply deciding how the accounts shall stand on the *debit* and *credit* sides. The decision be made, in every case, in accordance with the principles laid down. In setting the transactions are the most simple that could be suggested, each requiring but one debit and one credit entry. Let the *check-mark* (✓) be made opposite the Day Book entry, *immediately* upon its being journalized—*never before*.

Transferring to the Ledger is called "*posting*." If the transactions are properly journalized, the labor of posting is simply mechanical. It requires great care, however, and constant vigilance, and nothing is more common with new beginners than errors in posting. As the student proceeds, and the errors are found and corrected before he can progress, the student will find discretion and judgment a part of valor, and, after confusing his brains and sharpening his wits as he goes, in a few days will come to the conclusion that errors are much more easily avoided than detected.

Commence with the first account indicated on the Journal, and write it as a heading in the Ledger.* See if the amount opposite be in the debit or credit Journal column, and enter it

* It is customary and proper always to open as the first accounts in the Ledger, *Stock, or the Partners. Some houses, desiring to keep the particular interests of the partners, or the conditions of the copartnership from the public, or from the knowledge of any parties except themselves, keep a private Stock Ledger, to which even the book-keeper has no access. In such cases the books are kept as Stock books, with but one account to represent the capital.

INSTRUCTIONS,—SET I.

the corresponding side in the Ledger, using as an expression 'the opposite journal entry. For example, suppose the journal entry to be "Cash Dr. To Merchandise." This expression implies, of course, that Cash is to be debited, and Merchandise credited. Under Cash account in the Ledger, on the *debit* side we say, "To Merchandise;" and carry the amount to the money column. Also, under Merchandise account on the *credit* side, we say, "By Cash," and carry the amount into the credit column. 'It is not really necessary that any expression should be made in the Ledger, as the fact which we are after is expressed by the figures. However, the expression properly made is suggestive of the transaction, and hence is rarely ever omitted by accountants. In posting from the Journal, be careful to enter in the column at the left of the account, and directly opposite, the *page* of the Ledger to which the amount is posted, *immediately after* the amount is entered in the Ledger, but *never before*.'

There is nothing in business that pays better than *system*; and it should be rigidly enforced at every step. No legislative body can be properly conducted without an "order of business," much less the intricate machinery of business itself. Let each student feel, therefore, that his success in life will depend, in a great measure, upon his habits of order, and let him be as careful in observing the minute essentials in these exercises, as though his reputation depended upon it. Learners are too apt to think that in these initiatory steps no importance should be attached to neatness and accuracy, as no real financial results depend upon them; and, thus reasoning, adopt slovenly habits, which may follow them through life. It is a pungent truth, that "Whatever is worth doing at all, is worth doing well," and nowhere will the sentiment better apply than in the work before us. It is scarcely to be expected that the beginner should be able to carry out his instructions so fully at the first as to avoid entirely the "errors and omissions" which even more experienced persons have to guard against with watchfulness and care; but if he makes each error a lesson which shall preclude its own repetition, his progress will be real as well as apparent, and the study of what he at first considered an abstract and difficult science will become as a pleasant pastime, and infinitely more profitable.

It will be well in all these primary exercises, and until the student is so thoroughly drilled in the principles as to be beyond the recurrence of the little perplexing errors which so much annoy, to employ loose paper ruled for the purpose, and continue to write and re-write all the books, until the proper results are satisfactorily achieved. This kind of *practice* is what is needed to fasten *theory*, and fit one for the more arduous toil of actual business.

Our earnest advice, then, is to attach importance to the most minute instructions bearing either upon principles or arrangement, and, under no circumstances, to progress more rapidly than the subject is fully understood.

* This instruction will, of course, apply only to cases where the post-mark is used also as a check mark. It is customary with some accountants, in order to facilitate the labor of posting, to enter opposite the Journal entries, *before posting*, the page of the Ledger to which each entry is to be posted; and to indicate the fact of posting by an additional post-mark. In this case, of course, the *check mark* and not the Ledger page, is subject to the above restriction.

DAY BOOK, SET I.

NEW YORK, JANUARY 1, 1859.

✓	H. B. Bryant invests in business this day Cash amounting to			5000
✓	He also owes Peter Cooper on %, which is to be paid from the business			500
		3		
✓	Bought of Wilson G. Hunt for Cash,			
	400 yds. English Broadcloths @ \$3		\$1200	
	200 yds. Domestic Cassimeres @ \$1		200	1400
		5		
✓	Sold Digby V. Bell, for Cash,			
	200 yds. Broadcloth @ \$4			800
		6		
✓	Sold H. D. Stratton, on %			
	10 yds. Broadcloth @ \$4			40
		9		
✓	Bought of Francis & Loutrel, on our note at 90 days,			
	50 reams extra Foolscap @ \$3.50		\$175	
	20 do Superfine Letter @ 3.00		60	235
		10		
✓	Accepted Peter Cooper's draft on us at 10 days' sight, favor of W. H. Beebe			500
		12		
✓	Sold S. S. Packard, on his note at 60 days,			
	10 reams Foolscap @ \$4.00		\$40.00	
	5 do Letter @ 3.50		17.50	57 50
		14		
✓	Bought, on our note at 40 days,			
	250 yds. Black French Cloths @ \$4			1000
✓	Paid Cash for Set of Books for use of store			20
		16		
✓	Sold R. C. Spencer, for Cash,			
	5 reams Foolscap @ \$3.75			18 75
		18		
✓	Sold E. G. Folsom, on %			
	20 reams Foolscap @ \$4.00		\$80	
	10 do Letter @ 3.50		35	115
		22		
✓	Received Cash of H. D. Stratton, on %			20
		23		
✓	Paid our acceptance, favor of W. H. Beebe, in Cash			500
		25		
✓	Sold J. T. Calkins, for Cash,			
	150 yds. Black French Cloths @ \$4.50			675
		28		
✓	Bought of J. D. Comstock, on %			
	4 dozen Soft Hats @ \$24			96
		31		
✓	Paid Cash as follows:			
	For Clerk Hire		\$60	
	For Rent of Store, one month		100	
	For Gas Bill		4	164
				11141 25

JOURNAL,—SET I.

NEW YORK, JANUARY 1, 1859. Dr. Cr.

1	CASH Dr.		
1	To STOCK	5000	
	"Stock" is the title chosen to represent the person investing; in this case, H. B. Bryant. It is credited with the investment according to <i>Principle 1</i> . Cash is here received by the concern, and is made Dr., according to <i>Principle 2</i> .		
			5000
	STOCK Dr.		
1	To PETER COOPER	500	
	Stock is debited for the liability assumed by the concern, <i>Prin. 1</i> . Peter Cooper is credited, because the concern has assumed to pay him a certain amount, and is, therefore, indebted to him. <i>Prin. 6</i> .		
			500
	3		
1	MERCHANDISE Dr.		
1	To CASH	1400	
	Merchandise cost \$1,400, and is debited, <i>Prin. 3</i> . Cash was paid for merchandise, and is credited, <i>Prin. 2</i> .		
			1400
	5		
1	CASH Dr.		
1	To MERCHANDISE	800	
	Cash is debited for its receipts, <i>Prin. 2</i> . Merchandise is credited for its proceeds, <i>Prin. 3</i> .		
			800
	"		
1	H. D. STRATTON Dr.		
1	To MERCHANDISE	40	
	H. D. Stratton Dr., <i>Prin. 6</i> . Merchandise Cr., <i>Prin. 3</i> .		
			40
	9		
1	MERCHANDISE Dr.		
2	To BILLS PAYABLE	235	
	Merchandise Dr., <i>Prin. 3</i> . Bills Payable Cr., <i>Prin. 5</i> .		
			235
	10		
1	PETER COOPER Dr.		
2	To BILLS PAYABLE	500	
	Peter Cooper is here made Dr. because we have canceled our indebtedness to him by promising to pay the amount to another person whom he has authorized to receive it, <i>Prin. 6</i> . Bills Payable is credited & our new liability thus assumed, <i>Prin. 5</i> . (For the form of the draft see note on page 15.)		
	The only change wrought in our affairs by this transaction is the transfer of a liability from a personal account to a note. We must now meet this obligation at its maturity, or be disgraced by having our paper protested.		
			500
	12		
1	BILLS RECEIVABLE Dr.		
1	To MERCHANDISE	57 50	
	Bills Receivable Dr., <i>Prin. 4</i> . Merchandise Cr., <i>Prin. 3</i> .		
			57 50
		8532 50	8532 50

JOURNAL,—SET I.

NEW YORK, JANUARY 14, 1859. *Dr.* *Cr.*

		Amounts brought forward,	8532 50	8532 50
1	2	MERCHANDISE <i>Dr.</i>	1000	
		To BILLS PAYABLE		1000
		Merchandise <i>Dr.</i> , <i>Prin.</i> 3. Bills Payable <i>Cr.</i> , <i>Prin.</i> 3.		
		15		
2	1	EXPENSES <i>Dr.</i>	20	
		To CASH		20
		Expense <i>Dr.</i> , <i>Prin.</i> 7. Cash <i>Cr.</i> , <i>Prin.</i> 2.		
		16		
1	1	CASH <i>Dr.</i>	18 75	
		To MERCHANDISE		18 75
		Cash <i>Dr.</i> , <i>Prin.</i> 2. Merchandise <i>Cr.</i> , <i>Prin.</i> 2.		
		18		
2	1	E. G. FOLSOM <i>Dr.</i>	115	
		To MERCHANDISE		115
		E. G. Folsom <i>Dr.</i> , <i>Prin.</i> 6. Merchandise <i>Cr.</i> , <i>Prin.</i> 2.		
		22		
1	1	CASH <i>Dr.</i>	20	
		To H. D. STRATTON		20
		Cash <i>Dr.</i> , <i>Prin.</i> 2. H. D. Stratton <i>Cr.</i> , <i>Prin.</i> 6.		
		23		
2	1	BILLS PAYABLE <i>Dr.</i>	500	
		To CASH		500
		Bills Payable <i>Dr.</i> , <i>Prin.</i> 5. Cash <i>Cr.</i> , <i>Prin.</i> 2.		
		25		
1	1	CASH <i>Dr.</i>	075	
		To MERCHANDISE		675
		Cash <i>Dr.</i> , <i>Prin.</i> 2. Merchandise <i>Cr.</i> , <i>Prin.</i> 3.		
		28		
1	2	MERCHANDISE <i>Dr.</i>	96	
		To J. D. COMSTOCK		96
		Merchandise <i>Dr.</i> , <i>Prin.</i> 2. J. D. Comstock <i>Cr.</i> , <i>Prin.</i> 6.		
		31		
2	1	EXPENSE <i>Dr.</i>	164	
		To CASH		164
		Expense <i>Dr.</i> , <i>Prin.</i> 7. Cash <i>Cr.</i> , <i>Prin.</i> 2.		
			11141 25	11141 25

LEDGER,—SET I.

Dr. (Our Notes Redeemed.)

Bills Payable.

(Our Notes Issued.)

Cr.

1859 Jan. 25	To Cash	2	500	1859 Jan. 9	By Mdee.	1	225
				" 10	Peter Cooper	1	500
				" 14	Mdee.	2	1000
				Total Received Our Notes outstanding \$1225			

Dr. (Others' Notes redeemed.)

Bills Receivable. (Others' Notes disposed of)

Cr.

1859	RECEIVABLE. (Other Notes disposed of) &c.									
Jan.	13	To Mdee.	1	57	50					
		Notes on hand	\$57 50							

Dr.

(Outlay.)

Expense.

Cr.

1859 Jan. 18	To Cash	2	20				
" 31	Incidental Expense	2	164				

Dr. (Our % against him.)

E. G. Folsom.

(His % against us.)

Cr.

1859 Jan. 20	To Mdee.	2	115				
Ls. over us							

Dr. (Our % against him.)

J. D. Comstock.

(His % against us.)

Cr.

1859 Jan. 28	By Mdee.	2	96				
Dr. over him							

TRIAL BALANCES.

GENERAL STATEMENT.

After posting all our transactions to the Ledger, in accordance with the principles laid down, we are enabled to deduce therefrom the following result:—

Dr.		Trial Balance.—Face of Ledger.		Cr.
500		<i>Assumed by the Concern, STOCK</i>	<i>Invested as capital.</i>	5000
6513	75	<i>Received</i>	<i>Paid out</i>	2084
500		<i>Our % against him</i>	<i>His % against us</i>	500
2781		<i>Cost</i>	<i>Returns from sales</i>	1706
40		<i>Our % against him</i>	<i>His % against us</i>	20
500		<i>Our notes redeemed</i>	<i>Our notes issued</i>	1735
57	50	<i>Others' notes received</i>	<i>Others' notes disposed of</i>	
184		<i>Outlay</i>	<i>EXPENSE</i>	
115		<i>He owes us</i>	<i>E. G. FOLSON,</i>	
			<i>J. D. COMSTOCK.</i>	96
11141	25	<i>Equilibrium</i>		11141 25

The above statement is called a "Trial Balance," for the reason most apparent; "it is a trial to ascertain if the debits and credits of the Ledger are equal, or *balance*." "It does not, as some suppose, prove the Ledger to be absolutely correct, as there are many circumstances under which the Ledger may balance, and yet be wrong. "This form of Trial Balance, however, is so nearly a test, that, under ordinary circumstances, it may be considered satisfactory." By observing the footings you will see that they exactly agree with those of the Journal, which could rarely be the case if any of the Journal entries were omitted to be posted; "and as the footings of the Journal columns also tally with that of the Day Book, we must be satisfied that all the original entries have found their way into the Ledger. "This leaves but two chances of error in the accounts, viz.: from improper Journal entries, or from posting to the wrong accounts in the Ledger.

"It will be seen that, in order to afford this additional test, we have found it necessary to carry into the Trial Balance the *total footings* of the Ledger. "If we desired only to test the balance of our Ledger, this would not be necessary, as will be seen from the following example:

"Trial Balance.—Differences of Ledger Accounts.

Dr.		Cr.
STOCK	<i>Net investment</i>	4500
CASH	<i>Amount on hand</i>	4429 75
MERCHANDISE	<i>Net cost</i>	1024 75
H. D. STRATTON	<i>He owes us</i>	20
BILLS PAYABLE	<i>Our outstanding notes</i>	
BILLS RECEIVABLE	<i>Others' notes on hand</i>	57 50
EXPENSE	<i>Incidental expenses</i>	184
E. G. FOLSON	<i>He owes us</i>	115
J. D. COMSTOCK	<i>We owe him</i>	96
<i>Equilibrium</i>		5831

ACCOUNT OF STOCK.

Here we have a test of equal debits and credits quite as satisfactory as the other, and much more brief, "upon the principle of *cancellation*; that is, permitting a debit to offset a credit of the same amount, and *vice versa*. These forms have each its peculiar advantages, and accountants have found it very convenient at times to combine them in one. This latter method is exemplified in another portion of the work.

We will now turn our attention more particularly to the object and sphere of the Ledger.

"The important consideration with the business man, is to keep his resources and liabilities constantly in view. He is thus enabled to estimate, not only theoretically, but practically, the degree of his prosperity. "A Ledger properly kept will show, at any time, all resources having a real or fixed value, and all liabilities of whatever kind. There is a class of resources, however, that cannot be determined from the Ledger. "This embraces all property purchased on speculation or subject to fluctuation in price. "The real value of such property can be ascertained only by actual appraisal.

"By reference to the Ledger, in Set I., it will be seen that the only property represented which is subject to fluctuation or speculation, is Merchandise. Had we sold our merchandise for the same price for which we purchased it, "the difference between the sides would show the value of that remaining unsold, reckoning it at the cost price; or had we credited Merchandise account with only the cost price of that which was sold, the difference would also show the value of that remaining unsold. But we have adopted the usual plan of crediting the Merchandise account with its *proceeds* from sales, and, as it was previously debited with its *cost*, "the difference will fail to represent the amount on hand in the exact amount of the discrepancy between the cost and the proceeds from sales: and as we have no means of knowing what this discrepancy is, "our only method of ascertaining the value of unsold merchandise, is to go to our shelves and estimate by actual inspection. "This process is called "taking an inventory," or "taking an account of stock."

This we now proceed to do, with the following result:

INVENTORY.

Merchandise remaining unsold, Jan. 31, 1859.

190 yards English Broadcloths.	@ \$3	570	
200 do Domestic Cassimeres	@ \$1	200	
100 do Black French Cloths	@ \$4	400	
4 dozen Soft Hats	@ \$24	96	
15 reams Extra Foolscap	@ \$3.50	52	50
5 do Letter Paper	@ \$3	15	
		1333	50

We have now sufficient data to enable us to ascertain the exact condition of our affairs on the 31st of January, and to show us, beyond a reasonable doubt, how much has been gained or lost in the month's transactions.

In the statements which follow, such forms have been adopted as would seem to place the facts aimed at in boldest relief, having little reference to symmetry of arrangement, which will be more fully appreciated when the truths inculcated are better comprehended.

It is hoped that the instructions given in this treatise will enable each student to originate his own forms, as well as to detect the truth, in whatever garb it may be clothed.

STATEMENT OF RESOURCES AND LIABILITIES.

Statement of Resources.

1. Taken from the Ledger.				
CASH	Amount received	6513	75	
	Amount paid out	2084		
	Balance on hand		4429	75
H. D. STRATTON	Our account against him	40		
	His account against us	20		
	He owes us		20	
BILLS RECEIVABLE	Others' notes received, and on hand		57	50
E. G. FOLSOM	He owes us		115	
2. Taken from Inventory.				
MERCHANDISE	Value of that unsold		1333	50
Total Resources			5955	75

Statement of Liabilities.

Taken from the Ledger.				
BILLS PAYABLE	Our Notes issued,	1735		
	" redeemed,	500		
	" outstanding,		1235	
J. D. COMSTOCK	We owe him			96
STOCK	Amount invested for the proprietor,	5000		
	" assumed for "	500		
	Net investment		4500	
Total Liabilities, (less unappropriated gains)			5831	

From these statements it appears that the Total Resources of the } \$5955 75
concern are.....

And the Total Liabilities (as shown)..... 5831

Leaving an excess of..... \$124 75

It is plain that this excess of resources must have accumulated during the business, as at the commencement the resources and liabilities were shown to be equal, upon the principle that the concern owed "Stock" or the proprietor for his net investment. Upon the same principle Stock should be credited with the increase or gain, and, as we have before intimated, it would be proper to do so at any time when such increase or gain can be ascertained. Should we now credit Stock with this excess—\$124.75—it will equalize our resources and liabilities, and place the proprietor's account in the same relative position to the business which it occupied at the commencement, viz: as showing the net investment.

The fact most clearly demonstrated thus far, then, is that, whether apparent or not, the difference between the resources of a concern and its outside liabilities is what the concern is owing to the proprietor, or his real net investment, and should be equal to the excess of credits of Stock or Partners' accounts, when those accounts are made to show their adequate results.

This will be more plainly seen in the following schedules:

STATEMENT OF RESOURCES AND LIABILITIES.

At the Commencement of Business.

Resources.		Liabilities.	
Cash	5000	Peter Cooper	500
		Stock	4500
	5000		5000

On the 31st of January.

Resources.		Liabilities.	
Cash	4429 75	J. D. Comstock	96
Bills receivable	57 50	Bills Payable	1235
H. D. Stratton	20	Stock	4624 75
E. G. Folsom	115		
Merchandise	1333 50		
	5955 75		5955 75

It will now be evident that "when the real condition of any concern can be ascertained, it must exhibit equal resources and liabilities; and that, if at any time during the business this fact is not apparent, it is only from some temporary cause or convenience. Let us see if this cause can be ascertained.

By reference to the statement showing the resources and liabilities of the concern on the 31st of January, it will be seen that all the open Ledger accounts are there represented except Merchandise and Expense. It is true that the amount of merchandise on hand, as shown by the inventory, is reckoned among the resources, but this had nothing whatever to do with the Merchandise account in the Ledger. Why were these two accounts omitted? "Evidently because they were not necessary in showing the resources and liabilities. What then do they show? "The debit of Merchandise account shows the cost of merchandise, and the credit the proceeds from sales. If to these proceeds we add the *anticipated* proceeds of that remaining unsold, we shall have the total in value of what has been produced by merchandise. From this amount if we deduct its *cost*, we shall get the *gain* on merchandise; or, if the cost be *more* than the proceeds, the excess will be the *loss*.

The credit side of merchandise account, or the proceeds from sales is	\$1706 25
The inventory of merchandise unsold, or the anticipated proceeds is.	1333 50
Making Total Proceeds.....	3039 75
The debit side or cost of merchandise is.....	2731
Which, deducted from the proceeds, shows a gain of.....	\$308 75

It would now seem, at first view, that we must have made in business, \$308.75, and such would be the case if we had incurred no further expenses than what appear on the debit side of our Merchandise account. Now, if we dissect the items which make up our Expense account (\$184), we shall find that, of that amount, \$20 was paid for a set of books, in which

ITIES.

500	
4500	
5000	

96	
1235	
4624	75
5955	75

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STATEMENT OF LOSSES AND GAINS.

to record our business transactions, and the balance, \$164, for store rent and clerk hire. "It is reasonable to suppose that all these expenses were incurred to facilitate the purchase and sale of merchandise, as that is the only property we have dealt in; and, such being the case, would it not have been proper to debit Merchandise account with these items, instead of Expense? Had this method been pursued, our gains on merchandise would appear to be \$184 less than they now show. Our gains in business would thus be reduced to \$124.75, which, it will be seen, exactly agrees with the excess of resources already shown. "Inasmuch, therefore, as we choose to exhibit our contingent expenses under special titles, such as "Expense," we must not forget that the amounts thus taken from the legitimate accounts for which the cost was incurred, thereby forcing such account to show an excessive gain, must ultimately be used to cancel that excess. This fact will be more apparent by the following

Statement of Losses and Gains.

MERCHANDISE	Returns from Sales	1706	25
	Anticipated returns (misc. unsold) . . .	1333	50
	Total Returns		
	Cost	3039	75
	Gain on Merchandise	2791	
EXPENSE	Outlay		308 75
	No Returns	184	
	Loss on Expenses		184
	Net Gain		124 75

From the foregoing schedules, it will be readily seen that "there are two classes of accounts," "from one of which can be ascertained the resources and liabilities of the concern, and from the other, the unappropriated gains and losses. We learn, moreover, that whenever the resources and liabilities of a concern can all be shown they must be equal; and that, "if at any time these are not apparent on the Ledger, it is from the use of certain temporary accounts for the purpose of containing the gains and losses of the business, until such time as it may be convenient or desirable to distribute them under their proper accounts.

As we shall need frequently to refer to these two classes, and desire them in their application to be thoroughly understood, we will denominate them REAL and REPRESENTATIVE, with the simple definition, that "Real accounts are such as exhibit, from an excess of debits or credits, real resources or liabilities, and "Representative such as represent the stockholder or stockholders, by exhibiting such gains or losses as are ultimately to be carried to his or their proper accounts. "When it is further understood that all gains in business must appear, either in an increase of resources, or a decrease of liabilities; and that all losses must appear, either in a decrease of resources, or an increase of liabilities, it will be sufficiently plain that the two classes of accounts we have named, must always run exactly parallel.

* Formerly authors and teachers were accustomed to divide accounts into three classes, under various titles. So far as we know to the contrary, the credit of first reducing this number to two, and of giving substantial reasons for the division in clear and satisfactory analyses, belongs to THOMAS JONES, author of "Book-keeping and Account-antship," published in 1853. Mr. Jones distinguishes by the appellative terms "Primary" and "Secondary," classifying "Stock" or "Partners" accounts with those which do not show resources or liabilities.

QUESTIONS FOR REVIEW.

We will now make a practical application of these lessons, in restoring our Ledger to its proper condition. By referring to the Stock account, you will see that it has remained unchanged since the commencement of the business; while we know, from the foregoing statements, that the business itself has changed in a material sense. You may remember that "Stock account was opened for the purpose of showing the net capital or investment. "It answered this purpose thoroughly at the start, and would do so even now, if the capital or investment had remained the same. But such is not the case, and consequently the Stock account fails of its full mission in just the amount of the fluctuation of invested capital. We have already shown, by two processes, what this fluctuation is, and it is now "with a view to restoring Stock account to its normal condition, that we "close up" the Ledger accounts, exhibiting the grand result by the balances of resources and liabilities. We wish this process distinctly noted, as the entire theory we have sought to advance is herein practically demonstrated.

QUESTIONS FOR REVIEW.

GENERAL INSTRUCTIONS.

1. Why should the student keep the Ledger in view when journalizing? 2. When should the check-mark (✓) be made in the Day Book, and where? 3. What is transferring to the Ledger called? 4. Why is it necessary to observe care in posting? 5. What is the first account opened in the Ledger? 6. When an account is posted to the Ledger what expression should be made? 7. Is it necessary that any expression should be made? 8. Of what should the Ledger expression be suggestive? 9. When should the page of the Ledger to which an amount is posted be entered in the Journal, and where?

GENERAL STATEMENT.

10. Why is a Trial Balance so called? 11. Does the Trial Balance prove the Ledger to be absolutely correct? 12. Is the test afforded by the Trial Balance usually satisfactory? 13. What test is afforded proving all the Journal entries to have been posted? 14. What to prove that all the original entries have been journalized? 15. When these precautions are used, how many chances are there for errors which may escape the Trial Balance test? 16. What must be the condition of the Trial Balance which affords these tests? 17. Would it be necessary to carry the *total footings* into the Trial Balance did we not desire this additional security? 18. Can a correct Trial Balance be had which will contain simply the *balances* of the Ledger accounts? 19. Upon what principle is this effected? 20. Are these two forms of Trial Balance ever combined in one? 21. What is the important consideration with the business man in connection with his accounts? 22. What does this enable him to do? 23. What will a Ledger properly kept show at any time? 24. What kind of resources cannot be shown from the Ledger? 25. How is the real value of such property ascertained? 26. Is there any property of this kind represented in Set I., and what is it? 27. What will the difference in the sides of Merchandise account show, if debited and credited with the same value? 28. When the Merchandise account is debited with the cost of merchandise, and credited with its proceeds, how much will the difference between the sides fail of showing the value of merchandise unsold? 29. When the account is so kept what is our only method of ascertaining the value of merchandise unsold? 30. What is the process called? 31. When the real condition of a concern is stated, what must it exhibit? 32. In the statement of resources and liabilities on page 29, why were not the Ledger accounts of Expense and Merchandise taken cognizance of? 33. What is shown by these accounts? 34. Is there any similarity in these accounts? 35. What must be borne in mind with reference to the nature of such special accounts as Expense? 36. How many classes of accounts are there? 37. What can be learned from each? 38. When the resources and liabilities of a concern do not show to be equal, what must be the reason? 39. What accounts are called Real? 40. What Representative? 41. How is it shown that these two classes of accounts run exactly parallel? 42. For what purpose is Stock account opened? 43. Why does not Stock account perpetually represent the net investment? 44. For what purpose is it necessary to close up certain of the Ledger accounts?

CLOSING THE LEDGER.

CLOSING THE LEDGER.

This phrase is much more technical than descriptive; and, although the process may be easily learned, experience has taught us that 'the great difficulty in the matter with learners is to be able clearly to understand the *object* to be attained by "Closing the Ledger." We will endeavor to explain.

"To "close up" an account in the Ledger is to put an end to its *current* condition. This may be for a temporary purpose only, or it may be final. "In closing a *Real* account, if the sides be equal, it is necessary only to add up the two sides, and draw red lines underneath the amounts of each. The account thus becomes canceled, and, so far as our business is affected, is as though it had never been. "If the sides be *not* equal, and we desire to close the account, for the purpose of showing the result, we enter upon the *smaller side*, in red ink, an amount which will make it equal to the larger side. This will, of course, be the difference between the sides, or the *excess* of the larger, and must be shown as such, either in a continuation of the same account, or in another account of the same import. The balance thus shown will be either a *resource* or a *liability*. If the sides of a *Representative* account be equal, and the proceeds all shown, it is also closed by adding up the debit and credit columns, and drawing red lines underneath; "If *unequal*, the excess will be entered on the smaller side in red ink, and will represent a *gain* or a *loss*. The columns will then be added, as in the other case.

So much for the *process*. Let us now ascertain for what *purpose* the Ledger accounts are closed at all, and each step will then suggest its own philosophy. We have already shown that "just as soon as the invested capital begins to fluctuate or change in value, Stock account ceases to represent the real interest of the proprietor. "This is simply because the gains and losses are not carried to Stock account *when they occur*, but are allowed to remain in the Representative accounts. "As often, therefore, as we wish to show what is the proprietor's interest in the business, or what the concern is *owing him*, we must take these gains and losses from his Representative accounts, and carry them to the Stock account. We do this by "closing up" the accounts, and transferring their balances. "The usual method is to open a general account, called "Profit and Loss," or "Loss and Gain," and first transfer to it all the gains and losses. "This enables us to get the net gain or the net loss in one amount, which we carry to Stock; "If it be a net gain, it will go to the credit side of the account, increasing the investment; "If a loss, to the debit side, decreasing the investment.

"This can all be accomplished without disturbing the *Real* accounts. "If, however, it is desired to show in a tabular form the resources and liabilities of the concern, we can easily do so by opening an account for this purpose called "Balance," and close the Real accounts into it. "Or if we wish to show an era in our business, we can close up these accounts, and bring the balances down, as shown in the Ledger which follows.

"The object, then, of closing the Ledger accounts is to restore the proprietor's account to the same relative position towards the business which it occupied at the commencement, *viz.*, as showing the net investment, or net interest of the proprietor.

"An entry in red ink on the Ledger, denotes that the amount thus written is to be *transferred*, either to some other account, or to another position under the same account. It also shows that the entry is *first* made in the Ledger, not having passed through the usual preliminary books of entry. "Red ink entries are *always* transferred to the *opposite side* from where they first appear, "for the reason that they indicate an *excess* of that side.

ORDER OF CLOSING.

ORDER OF CLOSING.

In closing the Ledger accounts, for the purposes of a general exposition of affairs, the following order should be observed:

1.

"Open an account with "Loss and Gain," (if not already opened,) and another with "Balance;" "the former to exhibit the *losses* and *gains*, and "the latter the *resources* and *liabilities*.

2.

"Ascertain from the inventory if any property remains unsold; and, if so, credit each account for which such property was originally debited with the value of that unsold, making the entry *in red ink*, "By Balance," and transferring the amount directly to the debit side of Balance account, making this entry *in black ink*, "To Merchandise," or "To Real Estate," or any other account from which the amount is transferred. "The Ledger accounts will each show, now, one of the four following results, viz: a Resource, a Liability, a Gain, or a Loss.

3.

"Omitting Stock account, (or Partners' accounts,) commence with the first account in the Ledger. First ascertain which of the above results it shows, and make the closing entry accordingly. If the difference represent a resource, or a liability, enter upon the smaller side, *in red ink*, "To," or "By Balance," as the case may be, and transfer the amount *in black ink* to the opposite side of Balance account. If the difference represent a gain or loss, enter on the smaller side *in red ink*, "To" or "By Loss and Gain," and transfer the amount, in the same manner to Loss and Gain account. Close all the accounts (except Stock or Partners') and transfer the balances as directed. "The Loss and Gain account will now show, on the debit side, all the losses, and on the credit side, all the gains, the difference being the net gain or net loss. "The Balance account will show on the debit side all the resources, and on the credit side all the liabilities, (excepting the result of Stock or Partners' accounts,) the difference being the real interest or present investment of the proprietor or proprietors.

4.

"Take a "Second Trial Balance," or a Trial Balance of the remaining open accounts: Stock or Partners', Loss and Gain, and Balance. "If the balances have been properly transferred the debits and credits of these accounts, taken together, must be equal.

5.

"Close the Loss and Gain account into Stock, or, if it be a partnership business, into the partners' accounts, dividing the gain or loss according to agreement. "The Stock or Partners' accounts will now show the original investment, increased by the gain, or decreased by the loss; the difference being the *present* net investment. "As the Balance account shows the same thing, they must, of course, agree.

6.

"Close Stock account (or Partners' accounts) into Balance account, which must equalize that account, it showing now, "on one side the total resources, and on the other the total liabilities, and presenting in the most condensed form, the exact present condition of the business.

The student will please observe this order in making the closing entries which follow. It will be seen that this Ledger presents the same accounts as the preceding, and differs only in having disposed of the gains and losses. The balances of the *Real* accounts (except Stock) agree with the Trial Balance, showing balances on page 27, while the *Representative* accounts have ceased to exist, their results being exhibited in the Stock account.

LEDGER, SET I.—CLOSED.

1

Dr.

Stock.

Cr.

1859
Jan. 1 To Peter Cooper
" 1 Balance

1 500
2 4624 75
5124 75

1859
Jan. 1 By Cash
" 31 Loss and Gain

1 5000
4 124 75
5124 75
Feb. 1 By Balance 4624 75

Dr.

Cash.

Cr.

1859
Jan. 1 To Stock
" 5 Mdse.
" 14 Mdse.
" 23 H. D. Stratton
" 25 Mdse.

1 5000
1 800
2 18 75
2 90
2 675
6513 75

1859
Jan. 3 By Mdse.
" 15 Expense
" 23 Bills Payable
" 31 Expense
" 31 Balance

1 1400
2 90
2 500
2 164
4129
6513 75

Feb. 1 To Balance

4429 75

Dr.

Peter Cooper.

Cr.

1859
Jan. 10 To Bills Payable

1 500

1859
Jan. 1 By Stock

1 500

Dr.

Merchandise.

Cr.

1859
Jan. 3 To Cash
" 10 Bills Payable
" 14 " "
" 28 J. D. Comstock
" 31 Loss and Gain

1 1400
1 235
2 1000
2 96
308 75
3039 75

1859
Jan. 5 By Cash
" 6 H. D. Stratton
" 12 Bills Receivable
" 16 Cash
" 20 E. G. Folsom
" 25 Cash
" 31 Balance

1 800
2 40
2 57 50
2 18 75
3 115
3 675
3039 75

Feb. 1 To Balance

1333 50

Dr.

H. D. Stratton.

Cr.

1859
Jan. 6 To Mdse.

1 40
40
20

1859
Jan. 25 By Cash
" 31 Balance Inv.

1 20
40

Feb. 1 To Balance

20

Dr.

Bills Payable.

Cr.

1859
Jan. 23 To Cash
" 31 Balance

2 500
1235
1735

1859
Jan. 9 By Mdse.
" 10 Peter Cooper
" 14 Mdse.

1 235
1 500
2 1000
1735

Feb. 1 By Balance

1235

GENERAL REMARKS.

GENERAL REMARKS.

By referring to the Balance account in the preceding Ledger, we shall find "a full statement of the resources and liabilities of our concern on the 31st of January. Should we desire to open a new set of books on the 1st of February, "we have all the necessary information for that purpose; or we can represent the state of our affairs in our present Ledger, "simply by bringing down the balances showing resources and liabilities under their separate accounts, instead of transferring them to Balance account. "This we have done. It will now be evident that "there was no actual necessity of opening a Balance account; the only object in doing so was "to exhibit, *under one title*, the resources and liabilities. "In practice, this account is rarely ever exhibited on the Ledger, but "its contents are shown in a separate Balance Sheet, various forms of which we have given elsewhere in this work.

It is often a matter of wonder to the new student in Accounts why the difference between the sides of Stock account, being transferred to Balance account, should equalize it. A moment's thought will dispel the mystery. "Before closing any of the accounts in the Ledger, we ascertain by the Trial Balance that our debits and credits are equal, and we take care, in every step, to keep them so; for whenever we debit any account, we credit some other account with the same amount, and *vice versa*. In "closing up" the Ledger, we call this process "transferring;" but it is exactly "equivalent to posting. Let us see if this is not so.

"The first entry of this kind was to *credit* Merchandise and *debit* Balance with the property unsold. So far as this affected our Merchandise account, it was equivalent to selling the merchandise, and receiving therefor an absolute resource, which we have called "Balance," but which is Merchandise, reckoned at its true value. We can now treat our Merchandise account as if the property were all disposed of. This we do, in fact, by representing the difference between the sides as a *gain*. We now *debit* Merchandise account with this gain, and *credit* Loss and Gain, preserving, as before, our fundamental rule of "equal debits and credits." We pursue this policy with all the accounts, transferring always to the opposite side from that on which the closing entry is made, and thus maintaining a perpetual equilibrium. "The balances which we transfer to Loss and Gain account might, with equal propriety, be carried directly to Stock account, but that "it is desirable to exhibit, in one amount, the net gain or loss during the business. It will be borne in mind, that the balancing or closing of an account is simply "upon the principle of cancellation. The account is made to "balance" only "by taking away the *excess*. But that excess appears "elsewhere, and *on the same side* of the Ledger. These balances of gains, losses, resources, and liabilities are thus transferred to the two accounts, "Loss and Gain" and "Balance," thus exhibiting in the former, all the gains and losses; and in the latter all the resources and liabilities. This leaves, except the Stock account, but these two accounts open, which, taken together, must have equal debits and credits, "as we have never failed in each step to produce this result. The Stock account, as it now stands, shows "the capital at *commencing*, and the Balance account "the capital at *closing*. There must, of course, be a discrepancy between these two accounts, "exactly equal to the gain or loss in business. Now as the gains and losses are all shown in the Loss and Gain account, "the difference between the sides being the net gain or loss, it follows that this difference must exactly equal the discrepancy between the capital at commencing, and the capital at closing; or, in other words, between the Stock and Balance accounts. If, then, we close the Loss and Gain account into Stock, we shall have exhibited in Stock account, "first, the capital at commencing, and next, the gain or loss during business, which, together, must equal the

GENERAL REMARKS.

capital at closing. "The Balance account showing all the resources, and all the outside liabilities at closing, must represent the same amount; and hence, the balance of either transferred to the other, must equalize the sides.

This is usually one of the most difficult points of comprehension in the student's path, but all such difficulties give way readily to a little momentum of reason and determination.

It will be apparent that throughout the discussion thus far, we have drawn a marked distinction between the *proprietor* and the *business*. It is necessary that this distinction be clearly apprehended before we proceed farther; as, if there is any thing peculiar in this treatise, it will be found to emanate from this recognition.* The great fact to which we refer, is strikingly apparent in the first entry upon our books, which was to credit Stock with the investment. Now if we inquire *who* credits Stock, we shall be forced to the conclusion that there is a party represented here, entirely distinct from stock, or the proprietor; as it would be sheer nonsense to express the fact that a man owes *himself*. The person competent to construct a system of philosophy on such a basis, would be able to show how a man might lift himself by his own boot-straps, or get rich by taking money from one pocket and putting it in the other. The fact clearly stated is, that the books represent "the concern, and not the proprietor, and the account opened with "Stock" is precisely "the same as that opened with any other person, except that the *final settlement* with Stock will not take place until the business ceases, or he withdraws from it. If Stock account, then, shows an excess of credits, "it is as much a liability as Peter Cooper's account, and must eventually be canceled by payment as well. To make this still more plain, let us see in what light Stock himself views it. Suppose the investment in this enterprise is only one among many which he has made. Suppose he has, also, a mill, wherein he has invested \$10,000; and a tannery where he has invested \$15,000. How will he keep an account with these three distinct concerns in his private books? According to the principles of accounts, he will charge the mill, the tannery, and the store, each with its cost, or the amount invested in it. He does this upon the principle of holding these concerns responsible for such investment, and upon the full expectation that they will eventually pay him what they thus owe. Our reasons for crediting Stock on the books of the store (which is the concern here represented) will now be sufficiently apparent, and the attentive student cannot fail to see that this credit is as much a liability of the concern as any credit on our books.

If there be still any doubt as to the correctness of this position, let us dissipate it, at once, by analyzing the second entry in the preceding series of transactions. The first entry, according to our theory, gave us a resource in cash of \$5000, and a liability to Stock of the same amount. The second entry, which we propose now to consider, created a new liability to Peter Cooper of \$500, but, at the same time, reduced the former liability to Stock in the same amount; so that the relative position of our resources and liabilities was not changed. The reason for this entry was this: Stock was owing Peter Cooper \$500, which he did not

* All authors whom we have consulted—and "their name is legion"—agree that "Stock," as a Ledger title, represents the proprietor, or as some few elegantly express it, "the owner of the books;" while not one among them attempts to give a reason for crediting this account with the investment, except that it is used to represent the capital; and of all the rules given, both fallible and "infallible," for journalizing, no one attempts to apply such rules to the first, or opening entry. Now, it is impossible, grammatically, that the same set of books should, at the same time, represent two distinct and opposite interests. All the expressions used in the books purport to emanate from some person or persons having a common interest in the transactions, and all the entries, of whatever nature, must necessarily be the exponent of the same interests. A pronoun in the first person, either expressed or understood, cannot properly represent two separate and distinct parties in the same sentence, or the same discussion. So, if it be necessary, in crediting Stock for the original investment to assume a position *distinct* from Stock, the same necessity must exist, with equal force, through all the subsequent entries. The more this position is studied, the more apparent will be its truthfulness.

EXERCISES FOR THE LEARNER.

care to pay from his private funds. He reasons thus: I have \$5000 which I can invest in this business, but I also owe Peter Cooper \$500, which is not yet due. Now I will invest this capital upon the condition that this liability be paid by the concern when it matures. The concern accepts this proposition, and first credits Stock with his investment, and next debits him with the amount assumed for him. The liability to Peter Cooper is now transferred from Stock's private books to those of this concern, and the concern's liability to Stock is decreased to the extent of the new liability thus assumed.

EXERCISES FOR THE LEARNER.

FIRST SERIES.

It is hoped that the preceding exercises in their fullness of explanation and illustration will enable the student to carry successfully through a series of transactions embracing the same general principles. The following memoranda will comprise a month's business, and the student is required to write up therefrom all the books represented in the preceding series. The form and arrangement of the books he will of course gather from the examples given; and he will find no point of difficulty which has not been fully discussed in connection with Set I. These exercises will require him to study well the form of expression in the Day Book, and the principles which govern the Journal, and will afford an excellent test of his proficiency in what he has passed over. The great objection to be urged against published text books in this science is, that too little is left for the mind of the student. There is a wide difference between *copying* the forms in Accounts and *originating* them; and hence we have followed each exemplified set of books, with a series of transactions embracing the same principles—which the student is required to put in proper form in the various books—and giving the *result* of the entries which he is required to produce. If we are not greatly mistaken, this will be found the most useful portion of the work, and should, under no circumstances, be omitted.

Memoranda.

Jan. 1st, Commenced business with a cash capital of \$6000. 2d, Bo't of E. R. Felton, for 100 bbls. Flour, @ \$8. 3d, Sold W. E. Crocker on %, 20 bbls. Flour, @ \$8.50. 4th, Bo't on our note, @ 30 days, of C. S. Sill, 20 pieces Calico, @ \$3; 10 do. figured Silks, @ \$9. 5th, Sold E. C. Packard, for cash, 30 bbls. Flour, @ \$8.25. 6th, Paid cash for set of books for use of store, \$15. 7th, Bo't of E. P. Selmsier, for cash, 200 bbls. Genesee Flour, @ \$9; paid Drayage on same, in cash, \$3. 10th, Sold Hiram A. Pryor on his note @ 30 days, 100 bbls. Genesee Flour, @ \$9.50. 12th, Sold W. H. Clark, for cash, 10 pieces Calico, @ \$3.75. 15th, Paid Cash for repairing store, \$15. 16th, Bo't of J. D. Williams, on %, 50 pieces Merrimac Prints, @ \$5. 17th, Sold R. C. Spencer, on %, 25 pieces Merrimac Prints, @ \$5.35. 20th, Sold R. W. Hoadley, for cash, 50 bbls. Genesee Flour, @ \$9.50. 21st, Received Cash, in full, of W. E. Crocker's %. 22d, Paid J. D. Williams Cash on %, \$100. 25th, Paid Clerk hire in full to Feb. 1, \$50. 27th, Sold E. B. Rockwell, on %, 50 bbls. Genesee Flour, @ \$10. 29th, Received Cash on % of E. B. Rockwell, \$250. 31st, Paid Store rent, in cash, \$100.

EXERCISES FOR THE LEARNER

INVENTORY.*

Made remaining unsold Jan. 31st.

50 bbls. Flour,	@ \$10	\$500
10 pieces Calico,	@ 3	30
25 do Merrimac Prints,	@ 5	125
10 do figured Silks,	@ 9	90
		<u>\$745</u>

If these accounts are properly kept, the first Trial Balance and the Balance Account will each represent the following statement:

First Trial Balance.

7180		Stock	6000	
3003		Cash	2883	
		Merchandise	2513	75
180		Bills Payable	150	
950		Expense		
100		Bills Receivable		
170		J. D. Williams	250	
133	75	W. E. Crocker	170	
500		R. C. Spencer		
		E. B. Rockwell	250	
<u>12216</u>	<u>75</u>		<u>12216</u>	<u>75</u>

Balance Account.

Resources				Liabilities.			
Cash	4297			Bills Payable	150		
Merchandise	745			J. D. Williams	150		
Bills Receivable	950			Stock	6075	75	
R. C. Spencer	133	75					
E. B. Rockwell	250						
	<u>6375</u>	<u>75</u>			<u>6375</u>	<u>75</u>	

* The student will please ascertain if this is correct.

QUESTIONS FOR REVIEW.

QUESTIONS FOR REVIEW.

CLOSING THE LEDGER.

1. What is the chief difficulty with learners in closing the Ledger? 2. What is the effect of "closing up" an account? 3. How is a *Real* account closed when the sides are equal? 4. How, when unequal? 5. How is a *Representative* account closed when the sides are unequal? 6. At what stage of the business does Stock account cease to represent the proprietor's interest? 7. Why is this? 8. How can we at any time ascertain the proprietor's interest? 9. What is the usual method of carrying gains and losses to Stock account? 10. What is the advantage of opening a "Loss and Gain" account? 11. To which side of Stock account are gains carried, and how do they affect that account? 12. To which side are losses carried, and how do they affect the account? 13. Can the gains and losses be thus disposed of, without disturbing the *Real* accounts? 14. What is the object of opening a "Balance" account? 15. How can we dispose of the amounts properly carried to Balance account, if we wish merely to show an era in our business? 16. What, then, is the prime object in closing the Ledger accounts? 17. What does an entry in *red ink* on the Ledger denote? 18. How are *red ink* entries always transferred? 19. Why transferred to the *opposite* side?

ORDER OF CLOSING.

20. What is the first step in closing the Ledger? 21. What results are shown by the "Loss and Gain" account? 22. What by the Balance account? 23. What is the second step? 24. When the inventories are all entered to the proper accounts, what will be shown by the Ledger? 25. What is the third step? 26. When the balances have been properly transferred, what will the "Loss and Gain" account show? 27. What the "Balance" account? 28. What is the fourth step? 29. Of what use is the "Second Trial Balance"? 30. What is the fifth step? 31. When the net gain or loss has been transferred to Stock or Partners' accounts, what will those accounts show? 32. Why must the balance of these accounts agree with the balance of Balance account? 33. What is the sixth step? 34. What will the Balance account show when complete?

GENERAL REMARKS.

35. What is shown by the Balance account in Set I? 36. Have we sufficient data here to enable us to open a new set of books? 37. How can we represent the state of our affairs in the present Ledger? 38. Has this result been shown? 39. Was there really any necessity for opening a Balance account? 40. Why was it done? 41. Is this account often exhibited on the Ledger in actual business? 42. How are its contents otherwise shown? 43. Why does not the transferring of balances from one account to another disturb the equilibrium of the Ledger? 44. What is this transferring of balances equivalent to? 45. Will you explain this by analysis? 46. Where might the balances carried to the Loss and Gain account properly be transferred? 47. Why is it not done? 48. Upon what principle are accounts "balanced"? 49. How is an account made to balance? 50. Where does this excess subsequently appear? 51. When all the balances except Stock are transferred to Loss and Gain and Balance accounts, why must these, with Stock account, contain equal debits and credits? 52. What is shown by the Stock account at this stage? 53. What by the Balance account? 54. What discrepancy is there in these two accounts? 55. Why will this discrepancy exactly tally with the difference between the sides of Loss and Gain account? 56. What will the Stock account show when this discrepancy is transferred from the Loss and Gain account? 57. Why will the Stock account now agree with Balance? 58. What particular interest is always represented by a set of books? 59. What relation does Stock account sustain towards the business? 60. If the credit side of Stock account exceeds the debit, how does it affect the business?

INDEX TO LEDGER B,—SET II.

INDEX TO LEDGER B,—SET II.

The purpose and importance of an Index to the Ledger will be immediately apparent. Where there is a large number of accounts much time is saved by having an alphabetical list to which to refer. The example given below will be sufficient to show the general purport of an index, but does not present the best form. The form in general use is so common and so very simple, that any attempt at explanation would be useless. We have not thought it necessary to give the index in connection with any other Set, as it would merely occupy space without affording information. We have chosen this page instead of the one next preceding the Ledger, because it best answers our purpose so to do.

Index.

A.	N.
B.	C.
Bryant, H. B. 1	
Bills Receivable 1	
Bills Payable 1	
C.	P.
Cash 1	Packard, S. S. 2
Comstock, J. D. 2	
D.	Q.
Dawson, Warren & Hyde 2	
E.	R.
Expense 2	Real Estate 2
F.	S.
Folsom, E. G. 1	Stratton, H. D. 1
G.	T.
Genta, Jno. W.	
H.	U.
	Union Bank Stock 2
	Union Bank 2
I. J.	V.
Irwin & Phinney 2	
K.	W.
L.	X. Y.
M.	Z.
Merchandise 1	
Mortgage Payable 2	

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n alphabetical
general pur-
is so common
e not thought
erely occupy
one next pre-

SET II.

DAY-BOOK, JOURNAL, LEDGER,
CASH-BOOK, BILL-BOOK.

[*Continuation of Set I.*]

BUSINESS PROSPEROUS.

DAY-BOOK,—SET II.

NEW YORK, FEBRUARY 1, 1850.

The following Resources and Liabilities with which we commence business this day, are taken from the Balance Account of H. B. Bryant's Ledger A.*

Resources.

Cash in hand	\$4429 75
Notes on hand	57 50
Merchandise per Inventory	1333 50
E. G. Folsom owes on %	115 00
H. D. Stratton owes on %	20 00
	<u>5955 75</u>

5955 75

Liabilities.

Notes outstanding	\$1235 00
Balance due J. D. Comstock	96 00
H. B. Bryant's ret Capital	4624 75
	<u>\$5955 75</u>

Sold S. S. Packard 2 Doz. Soft Hats. . . @ \$36	72
Received in Payment,	
Cash	\$20.
Balance on %	52—72

2

Received Cash of H. D. Stratton, in full of %	20
---	----

8

Bought of Ivison and Phinney,	
150 Sets Spencerian Writing Books . . . @ 75c . . . \$112 50	
100 Copies Bryant & Stratton's Book-keeping @ \$1 . . . 100 00	
Paid them, Cash	
Order on E. G. Folsom 50 00	
Balance on % 50 00	
	<u>112 50—212 50</u>

5

Bought of Dawson, Warren & Hyde, on %	
50 "Tip Top" Gold Pens, first quality . . . @ \$1.25	62 50

7

Exchanged Notes with Digby V. Bell for our mutual accommodation,	
each drawn at 30 days \$	500

8

Sold J. H. Goldsmith, for Cash,	
50 Sets Spencerian Writing Books . . . @ 85c . . . 42 50	
25 do Bryant and Stratton's Book-keeping . . @ \$1.12 . . . 28 00	
5 Reams Letter Paper @ \$3 . . . 15 00	
1 Doz. Gold Pens @ \$1.50 . . . 18 00	
	<u>103 50</u>

103 50
6926 25

DAY-BOOK,—SET II. NEW YORK, FEBRUARY 10, 1850.

2

		Amount brought Forward	6926	25
		10		
✓		Bought of Wm. B. Astor, Store and Fixtures, at	10000	
✓		Paid him, Cash	\$1000	
		Bond and Mortgage for balance	9000—\$10,000	
		12		
✓	5955	Sold J. T. Calkins, on his note @ 20 days,		
	78	50 yds. Broadcloth	@ \$4	200
		14		
✓		Bought of S. S. Guthrie, Buffalo, on our acceptance at 60 days favor of		
		A. M. Clapp,		
		200 Bbls. Flour	@ \$8	1600
		15		
✓	73	Sold D. L. Wing, Albany, for Cash,		
		50 Bbls. Flour	@ \$8.25	412 50
		16		
✓		Paid Drayman's Charges in full to date		8
		18		
✓	20	H. B. Bryant has made the following additional investment of Re- sources bequeathed him by a deceased uncle, 50 Shares Union Bank Stock valued at \$105	\$5250 00	
		Cash deposited in Union Bank	1000 00	6250
		20		
✓	212	Sold for Cash to B. McGann, 20 Shares Union Bank Stock	@ \$108	2160
		24		
✓	62	Sold John W. Gantz,		
	50	100 yds. Black French Cloth	@ \$5.75	575
		Received in Payment, Cash	\$200	
		Balance on %	375—\$575	
		25		
✓	500	Paid for repairing store, per order on E. G. Folsom		65
		27		
✓		Rec'd Cash for 5 per cent. dividend on 30 Shares Union Bank Stock		150
		28		
✓	03	Paid Clerk's Salary to date	\$50	
	26	Paid Store Rent to date	100	150
	25			28403 75

JOURNAL,—SET II.

NEW YORK, FEBRUARY 1, 1850. Dr. Cr.

1	Sundries	Dr.	To Sundries,*				
1	Cash			4420	75		
1	Bills Receivable			57	50		
1	Merchandise			1333	50		
1	E. G. Folsom			115			
1	H. D. Stratton			20			
1			To Bills Payable			1235	
1			" J. D. Comstock			96	
1			" H. B. Bryant			4624	75
1	Sundries	Dr.	To Merchandise			72	
1	Cash			20			
2	S. S. Packard			52			
1	Cash	Dr.	To H. D. Stratton	20			20
1	Merchandise	Dr.	To Sundries	212	50		
2			To Cash			50	
2			" E. G. Folsom			50	
2			" Ivison & Phinney			112	50
1	Merchandise	Dr.	To Dawson, Warren & Hyde	62	50		62 50
1	Bills Receivable	Dr.	To Bills Payable	500			500
1	Cash	Dr.	To Merchandise	103	50		103 50
				6026	25	6026	25

* The term "Sundries" is difficult of explanation to a beginner; and many teachers and a few authors have thought to get rid of the difficulty by ignoring the term, upon the principle often quoted, that—

"Where ignorance is bliss, 'tis folly to be wise."

out, like most attempts of this kind, it falls very far short of its object; for, however unnecessary the term may be in journals, expressions, its convenience will secure its perpetual use by practical men, and the sooner it is comprehended by the learner the better. As used in this connection, it is, as will be readily seen, merely a caption for the Journal entry, indicating that the entry consists of sundry debits and sundry credits. These sundry debits and credits being afterwards specifically named, and their amounts extended, it is easy to infer that "Sundries" is not used as a Ledger account, but merely as an expression. Its convenience will be more readily apparent in posting to the Ledger, as it affords an expression to be entered under the Ledger title. There are, in reality, four kinds of Journal entries, each requiring a different expression, viz.: 1. Those consisting of one debit and one credit; 2. Those consisting of one debit and several credits; 3. Those consisting of one credit and several debits; 4. Those consisting of several debits and several credits. Each of these is illustrated in this journal, and a little careful attention will make the student sufficiently acquainted with their characteristics.

JOURNAL,—SET II.

2

NEW YORK, FEBRUARY 10, 1850.

Dr. Cr.

Amount brought Forward		6026	25	6026	25
10					
2	Real Estate	Dr.	To Sundries	10000	
1			To Cash		1000
2			" Mortgage Payable*		9000
12					
1	Bills Receivable	Dr.	To Merchandise	200	300
1					
14					
1	Merchandise	Dr.	To Bills Payable	1600	1600
1					
15					
1	Cash	Dr.	To Merchandise	412	50
1					412 50
16					
2	Expense	Dr.	To Cash	5	5
1					
18					
1	Sundries	Dr.	To H. B. Bryant		6250
1	Union Bank Stock			5250	
1	Union Bank			1000	
20					
1	Cash	Dr.	To Union Bank Stock	2160	2160
2					
24					
1	Sundries	Dr.	To Merchandise		575
1	Cash			200	
3	John W. Gantz			375	
"					
1	Expense	Dr.	To E. G. Folsom	65	65
2					
27					
1	Cash	Dr.	To Union Bank Stock	150	150
2					
28					
2	Expense	Dr.	To Cash	150	150
2					
29					
				28493	75
				28493	75

*The term "Mortgage Payable" is but another name for Bills Payable: the accounts may be kept separate or together. We have adopted the former method, for the purpose of illustrating the principle, and to express our preference. There is a distinction between a promissory note and a mortgage on real estate; and the majority of business men would prefer to have that distinction preserved in their accounts.

LEDGER, — SET II.

Dr.

H. B. Bryant.

Cr.

1859	Feb.				1859	Feb.	1	By Sundries	1	4624	76
							16		2	8260	

Dr.

Cash.

Cr.

1859	Feb.	1	To Sundries	1	4439	76	1859	Feb.	8	By Mlce.	1	50
		1	Mlce.	1	20				10	Real Estate	2	1000
		1	H. D. Stratton	1	20				14	Expense	2	5
		8	Mlce.	2	103	50			28		7	150
		18	"	2	412	50						
		20	Union Bank	2	2160							
		24	Mlce.	2	200							
		27	Union Bank Stock	2	150							

Dr.

Bills Receivable.

Cr.

1859	Feb.	1	To Sundries	1	57	50
		7	Bills Payable	2	500	
		12	Mlce.	2	200	

Dr.

Merchandise.

Cr.

1859	Feb.	1	To Sundries	1	2225	50	1859	Feb.	1	By Sundries	2	72
		8	"	2	212	50			8	Cash	2	103
		7	Dawson, W. & Hyde	2	63	50			19	Bills Receivable	2	200
		14	Bills Payable	2	1600				18	Cash	2	412
									24	Sundries	4	575

Dr.

H. D. Stratton.

Cr.

1859	Feb.	1	To Sundries	1	20		1859	Feb.	8	By Cash.	1	20
------	------	---	-------------	---	----	--	------	------	---	----------	---	----

Dr.

E. G. Folsom.

Cr.

1859	Feb.	1	To Sundries	1	115		1859	Feb.	8	By Mlce.	1	50
									28	Expense	2	60

Dr.

Bills Payable.

Cr.

1859	Feb.	1	By Sundries	1	1435	
		7	Bills Receivable	2	500	
		14	Mlce.	2	1600	

LEDGER,—SET II.

2

Cr.

1834 78
8250

Dr.

J. D. Comstock.

Cr.

1859 Feb. 1 By Sundries 96

Cr.

50
1000
5
1000

Dr.

S. S. Paokard.

Cr.

1859 Feb. 1 To Mdee. 1 88

Cr.

Dr.

Iverson & Phinney.

Cr.

1859 Feb. 8 By Mdee. 1 119 00

Dr.

Dawson, Warren & Hyde.

Cr.

1859 Feb. 8 By Mdee. 1 63 00

Cr.

78
108 50
200
412 50
878

Dr.

Real Estate.

Cr.

1859 Feb. 10 To Sundries 2 10000

Cr.

20

Dr.

Mortgage Payable.

Cr.

1859 Feb. 10 By Real Estate 2 9000

Dr.

Expense.

Cr.

1859 Feb. 16 To Cash 2 5
" 25 R. G. Folsom 2 65
" 28 Cash 4 160

Cr.

50
68

Dr.

Union Bank Stock.

Cr.

1859 Feb. 18 H. R. Bryant 2 5250
1859 Feb. 20 By Cash 2 2160
27 160

Dr.

Union Bank.

Cr.

1859 Feb. 18 To H. R. Bryant 2 1000

Cr.

1835
500
1600

Dr.

John W. Gantz.

Cr.

1859 Feb. 24 To Mdee. 4 378



GENERAL STATEMENT,—SET II

GENERAL STATEMENT.

In the preceding Ledger (Set II,) we have the current condition of H. B. Bryant's business on the 28th of February, as far as that condition can be shown by the Ledger, *without closing the accounts*. This part of the labor we leave for the student; but shall give, in this connection, a statement which will afford him efficient aid. It is essential that the principles of this statement, as also the peculiar form and method of enforcing these principles, be clearly comprehended, as herein lies the key to much that at first seems mysterious and incomprehensible. It will be seen that this statement differs from the previous one (Set I,) only in form and arrangement.

Trial Balance.

<i>Differences.</i>		<i>Face of Ledger.</i>		<i>Ledger Accounts.</i>	<i>Face of Ledger.</i>		<i>Differences.</i>	
				H. B. Bryant	10874	75	10874	75
6290	75	7495	75	Cash	1205			
757	50	757	50	Bills Receivable				
1845	50	3208	50	Merchandise	1363			
		20		H. D. Stratton	20			
		115		E. G. Folsom	115			
				Bills Payable	3335		3335	
				J. D. Cornstock	96		96	
52		52		S. S. Packard				
				Iverson & Phinney	112	50	112	50
				Dawson, Warren & Hyde	62	50	62	50
10000		10000		Real Estate				
220		220		Mortgage Payable	9000		9000	
2940		5250		Expense				
1000		1000		Union Bank Stock	2310			
375		375		Union Bank				
				John W. Gantz				
23480	75	28493	75	Equilibrium	28493	75	23480	75

Inventory of Unsold Property.

140 yds. English Broadcloth	@ \$3.00	420			
200 do Domestic Cassimere	@ 1.00	200			
2 dozen Soft Hats	@ 24.00	48			
15 reams Foolscap Paper	@ 3.50	52	50		
100 sets Spencerian Writing Books @	75	75			
38 Gold Pens	@ 1.25	47	50		
150 Bbls. Flour	@ 8.50	1275			2118
20 Shares Union Bank Stock	@ 1.03½				3100
Store and Fixtures valued at					12000
					17218

GENERAL STATEMENT,—SET II.

Statement of Losses and Gains.—Representative Accounts.

		Losses.	Gains
MERCHANTISE,	Proceeds from sales	1363 00	
	Value of that unsold (per Invoice)	2118 00	
	Total proceeds	2481 00	
	Cost	2208 50	
	Gain	272 50	272 50
REAL ESTATE,	Value of property unsold	18000 00	
	Cost	10000 00	
	Gain	8000 00	8000
EXPENSE,	Outlay	220	
UNION BANK STOCK,	Proceeds sales and dividend	2210 00	
	Value of unsold	2100 00	
	Total proceeds	2410 00	
	Cost	2250 00	
	Gain	160 00	160
	Net Gain	2212 50	
		2432 50	2432 50

Statement of Resources and Liabilities.—Real Accounts and Inventories

1st. From Inventories of Unsold Property.		Resources.	Liabilities.
MERCHANTISE		2118	
UNION BANK STOCK		3100	
REAL ESTATE		12000	
2d. From Ledger Accounts.			
CASH,	Amount Received	7495 75	
	" Disbursed	1208 00	
	Balance on hand	2290 75	6290 75
BILLS RECEIVABLE,	Notes received, and on hand	757 50	
BILLS PAYABLE,	Notes issued and unredemmed		3835
J. D. COMSTOCK,	We owe him		96
S. S. PACKARD,	He owes us	52	
IVISON & PHINNEY,	We owe them		112 50
DAWSON, WARREN & HYDE,	We owe them		62 50
UNION BANK,	Deposits in our favor	1000	
JOHN W. GANTZ,	He owes us	375	
MORTGAGE PAYABLE,	Mortgage issued and outstanding		9000
H. B. BRYANT,	His net investment	10874 75	
	" " gain	2212 50	
	His present interest	12087 25	13087 25
		25693 25	25693 25

EXERCISES FOR THE LEARNER—2d SERIES.

The theory enforced by the preceding "General Statement," is one that must perpetually govern the record of business transactions, and one that will afford ample basis for explanation to those not thoroughly familiar with the science of Double Entry. It is, simply, that *all gains or losses in business are substantiated by the actual increase or decrease of net resources.* As simple as this proposition may appear, it will require not a little well-directed mental effort to comprehend it in all its special relations and applications.

The student is now required to "Close up" the Ledger according to instructions in Set I.

EXERCISES FOR THE LEARNER.

SECOND SERIES.

Feb. 1st, Commenced business with the Resources and Liabilities shown in Balance account, Ledger A.* Sold John D. Hinde on $\%$, 50 bbls. Flour, @ \$11. Bo't of John Gundry for cash, 200 sacks Coffee, 13,000 lbs. @ 9 c. 2d, Accepted J. D. Williams' Draft on us @ 10 days, in favor of E. C. Bradford, in full of his $\%$. 3d, Bo't of D. C. Collins 500 bbls. Flour, @ \$8; Paid him cash, \$1500; order on R. C. Spencer, \$133.75; our note for balance, due in four months. 4th, Paid cash for sundry expenses, \$15. Sold to J. A. Harper for cash, 200 bbls. Flour, @ \$8.25. 5th, Received cash of Hiram A. Pryor, in full for his note of \$950. 6th, Paid our note in favor of C. S. Sill, given him on the 4th ult., in cash, \$150. 7th, Rec'd cash of E. B. Rockwell, in full of $\%$. Paid Store rent in cash, \$150. 8th, Sold Samuel Jones on his note, 300 bbls. Flour, @ \$8.50. 10th, Sold J. H. Bell on $\%$, 10 pieces Calico, @ \$3.75. 15th, Received from the executors of my deceased father's estate, in cash, \$1200. 16th, Paid cash for acceptance favor of J. D. Williams, 2d inst. 20th, Sold Henry A. Wise, 10 pieces figured Silk, @ \$10. Received in payment his draft @ 10 days on John Brown. 22d, Bo't of James Buchanan on $\%$, 6 pipes of Wine, 720 gallons, @ \$3.50. 25th, Sold our sight draft on J. D. Hinde, to balance his $\%$, for which received cash. 28th, Discounted our note of 3d inst., favor of D. C. Collins, due in four months from date. Paid for face of note, less discount for 3 months @ 7 per cent., in cash, \$2324.84.

Trial Balance.

Differences.		Face of Ledger.			Face of Ledger.		Differences.	
3437	16	8897		Stock	7275	75	7275	75
3547	50	8435		Cash	5459	84		
2650		3600		Merchandise	4887	50		
		133		Bills Receivable	950			
		250	75	R. C. Spencer	133	75		
		2666		E. B. Rockwell	250			
		150	25	Bills Payable	2666	25		
		550		J. D. Williams	150			
165		165		J. D. Hinde	550			
37	50	37	50	Expense				
				J. H. Bell				
				J. Buchanan	2520		2520	
				Discount	41	41	41	41
9637	16	24884	50		24884	50	9637	16

* This is, of course, the Ledger connected with the *First Series*, the result of which the student is supposed to have shown according to directions.

EXERCISES FOR THE LEARNER—2D SERIES.

Inventory of Property Unsold.

25 pieces Merrimac Prints	@ \$5	125
200 sacks Coffee, 13000 lbs.	@ .09	1170
6 pipes Wine, 720 gals.	@ 3.50	2520
		<u>3815</u>

Balance.

<i>Resources.</i>			<i>Liabilities.</i>	
Merchandise	3437	16	J. Buchanan	2520
Bills Receivable	3815		H. B. Bryant	7419
J. H. Bell	2650			<u>66</u>
	37	50		
	<u>9939</u>	<u>66</u>		<u>9939</u>
				<u>66</u>

The student will see the importance of carrying these transactions through the necessary books to their final result, as shown in the above Balance account. Let him not omit to make out a General Statement, and close the Ledger in strict accordance with the instructions on these points.

perpetually
planation
ply, that
e of not
l-directed
n Set 1.

Balance
of John
ns' Draft
C. Collins
our note
to J. A.
or, in full
ult., in
sh, \$150.
ell on %,
's estate,
0th, Sold
days on
@ \$3.50.
ved cash.
om date.

ferences.

75 75

20
11 41
7 16

opposed to

AUXILIARY BOOKS,

We give below two of the most common and essential auxiliary books in use, the Cash Book and the Bill Book. A moment's inspection will suggest the great advantage of these books, as showing special facts not easily gathered from any other source. The Cash Book, when kept, is closed every night, and the balance—which must agree with cash items on hand—brought down as a basis for the next day's business. This necessity of having the difference between the receipts and disbursements of cash, as shown by the two sides of the Cash Book, agree with the cash on hand, is the best possible safeguard against errors and omissions, and one which we shall more fully exemplify hereafter.

Cash Book.

CASH RECEIVED.

No.	When Rec'd.	Drawn or Endorser.	Drawn or Maker.	In Whose Favor.	For What Rec'd.	Where Payable.
Feb. 1	1	To Stock	Amount invested	4429	75	
" "	"	" Mdee.	Sold S. S. Packard	90		
" 2	"	" H. D. Stratton,	Rec'd on %	20		
" 8	"	" Mdee.	Sold J. H. Goldsmith	103	50	
" 15	"	" "	Sold D. L. Wing	412	50	
" 20	"	" Union Bank Stock,	Sold B. McGinn	2160		
" 24	"	" Mdee.	Sold J. W. Gantt	200		
" 27	"	" Union Bank Stock,	Rec'd for Dividend	150		7495 75
						7495 75
		To Balance.	From old %			6290 75

Bill Book.

No.	When Rec'd.	Drawn or Endorser.	Drawn or Maker.	In Whose Favor.	For What Rec'd.	Where Payable.
1	Feb. 1	B. McGinn.	S. S. Packard.	H. B. Bryant.	Investment.	Our Office.
2	" 7	H. B. Bryant.	Digby V. Bell.	do do	Accommodat'n.	do do
3	" 12	H. B. Bryant.	J. T. Colkins.	do do	Merchandise.	do do

Bill Book.

No.	When Issued.	Drawn or Endorser.	Drawn or Maker.	In Whose Favor.	For What Given.	Where Payable.
1	Jan. 9	Francis & Loutrel.	H. B. Bryant.	F. & Loutrel.	Merchandise.	College Bank.
2	" 14	Smith & Co.	do do	Smith & Co.	do	do do
3	" 10	Peter Cooper.	do do	W. H. Beebe.	To Balance %.	do do
4	Feb. 7	Digby V. Bell.	do do	Digby V. Bell.	Accommodat'n.	do do
5	" 14	S. S. Guthrie.	do do	A. M. Clapp.	Merchandise.	do do

BOOKS,

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SET II.

The Bill Book should never be omitted in any business dealings with notes, either payable or receivable; and especially is it important to keep a record of the amount and condition of notes payable.

It will be seen that the entries made in these auxiliaries are taken from the transactions of Set II., and hence the cash on hand, notes on hand, and notes outstanding, as here shown, will be found to agree with the balance shown in the proper Ledger accounts.

The forms submitted are those in general use, and are sufficiently suggestive.

Cash Book.

CASH DISBURSED.

Date	By	Amount	Particulars	Amount	Balance
Feb. 3	By Mdse.		B'd of Wilson & Phinney	50	
" 10	" Real Estate		Paid on Store and Pasture	1000	
" 16	" Expense		Paid Drayman in full	5	
" 28	" Balance		Paid Clerk's salary and Store rent	150	1205
			Amount on hand		
					7495 75

Receivable.

Date.		Time.	When Due.												Am'ts.	When and how disposed of.	
Year.	Month.		Year.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.			Dec.
1859	Jan.	12	60 d's	1859		12										87.50	
"	Feb.	7	80 d's	1859		12										800	
"	"	12	80 d's	1859		12										800	

Payable.

Date.			Time.	When Due.												Am't.	When and how redeemed.	
Year.	Month.			Year.	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.			Dec.
1859	Jan.	9	80 d's.	1859				12									325	
1859	"	14	40 d's.	1859			12										1000	
1859	"	10	10 d's.	1859		12											500	Jan.
1859	Feb.	7	80 d's.	1859				12									500	
1859	"	14	40 d's.	1859						12							1000	

QUESTIONS FOR REVIEW.

QUESTIONS FOR REVIEW,—SET II.

In the previous questions under this head, we have referred, by number, to the written answers in the preceding remarks. We shall hereafter secure to the student the advantage of framing his own answers, aiming, however, to ask no questions upon which instructions have not been previously given.

1. Where are the Resources and Liabilities shown at the commencement of Set II. obtained? 2. Can Gains and Losses be shown at the commencement of business? 3. Why not? 4. What has become of the gain shown to have been realized in the month of January? 5. How does the interest of the proprietor at the commencement of Set II. vary from his interest at the commencement of Set I.? 6. What has effected this difference? 7. When is it proper to increase the credit side of Stock account? 8. When the debit side? 9. Is the term "Sundries" used as a Ledger account? 10. For what purpose is it used? 11. How will its convenience be most apparent? 12. How many kinds of Journal entries are there, and what are they? 13. What is meant by the term "Mortgage Payable"? 14. What is the difference in effect between a Mortgage Payable and a Bill Payable? 15. Is there any difference? 16. How may Ledger accounts be opened in Set II.? 17. How many of them are canceled? 18. Which of these Ledger accounts exhibit Resources? 19. Which Liabilities? 20. Which Gains? 21. Which Losses? 22. What is the distinction between the accounts of "Union Bank," and "Union Bank Stock"? 23. What will be the first step in ascertaining the gain or loss in Merchandise account? 24. If the net cost of merchandise exceeds the value of merchandise unsold, will the account show a gain or a loss? 25. Why do you carry the value of merchandise unsold to the credit of the Merchandise account? 26. Why make the entry in red ink? 27. Can you give a rule for the use of red ink entries in the Ledger? 28. In transferring a red ink entry to another account why do you always carry the amount to the opposite side of the new account? 29. What Ledger account in Set II. corresponds with Stock account in Set I.? 30. What does H. R. Bryant's account represent, as it stands on the Ledger? 31. How much does it fail to show his interest in the business of the 28th February? 32. Where will you get the amounts which will make up the difference? 33. Is it necessary that a "Loss and Gain" account should be opened? 34. If not opened, to what account would it be proper to carry the losses and gains at the close of business? 35. What advantages are gained by opening a "Loss and Gain" account? 36. Is it necessary to open a Balance account? 37. If a Balance account is not opened, how can the resources and liabilities be represented on the Ledger? 38. Is it customary in business to open a Balance account? 39. What is the theory of the "General Statement" as given in Set II.? 40. What are the auxiliary books given in connection with this set? 41. For what purpose is the Cash Book used? 42. How often is the Cash Book closed? 43. With what must the difference in the sides agree? 44. What is the advantage of the daily test? 45. For what purpose is the Bill Book used? 46. What is the particular convenience of the Bill Book? 47. With what account in the Ledger will the uncanceled notes in the Bill Book Receivable agree? 48. In the Bill Book Payable?

* The Bill Books in common use have the records of Bills Payable in one part, and Bills Receivable in the other, conversely arranged, so that each seems to be at the commencement of the book. It is usual to put the last day of grace in the "When due" column, although some insist upon including the day upon which the note is written to fall due. When both dates are specified, it is done in the form of a fraction, similar to the example shown.

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SET III.

DAY-BOOK, JOURNAL, COMMISSION SALES BOOK, ACCOUNTS SALES.

[Continuation of Set II.]

BUSINESS ADVERSE.

DAY-BOOK,—SET III.

NEW YORK, MARCH 1, 1859.

The following Resources and Liabilities are from H. B. Bryant's Ledger
B. The business to be continued under his name.

Resources.	
Merchandise as per Inventory	3118 00
Union Bank Stock, real value	3100 00
Real Estate, estimated at	12000 00
Cash on hand	6290 75
Bills Receivable, notes on hand	757 50
S. S. Packard owes on %	53 00
John W. Gants do	375 00
Union Bank, amount on deposit	1000 00

25093 25

Liabilities.*	
Bills Payable, outstanding notes	3335 00
J. D. Comstock, balance due him	96 00
Ivison & Phinney " " them	112 50
Dawson, Warren & Hyde, balance due them	62 50
Mortgage Payable	9000 00

12606

Shipped per Peoples' Line, and consigned to Sheldon & Co., Albany, to be sold on our % and risk,	
140 yds. English Broadcloth @ \$3 50	490 00
200 do Domestic Cassimere @ 1 25	250 00—740 00
Paid drayage on same in cash	1 00

741

Bold James Monroe, for cash, 2 doz. Soft Hats, @ \$26	52
---	----

Received per N. Y. and E. R. R., from J. R. Wheeler & Co., Buffalo, to be sold on their % and risk,	
500 bbls Flour, invoiced @ \$8 00	
5000 bush. Wheat @ \$1 25	
Paid transportation charges, in cash	100

Sold S. R. Gray, Albany,	
50 Sets, Spencerian Writing Books @ 88c.	44 00
15 Reams Foolscap Paper @ \$3 70	55 50
28 Gold Pens @ \$1 50	57 00
Received in Payment Ivison & Phinney's Draft on us for \$112 50	112 50
Cash for balance	44 00—156 50

156 50

Received Cash for rent of offices in second story	500
---	-----

30643 75

* We have varied this statement from the former, for the purpose of illustrating the different methods of opening books. The *Liabilities* here enumerated are simply those amounts owing *outside the concern*. The amount owing to the proprietor is, of course, the difference between the sum of these outside *Liabilities* and the sum of all the resources, and, instead of being shown in one amount, as in Set II., will be indicated by the difference between the debit and credit of the Stock, or H. B. Bryant's account.

DAY-BOOK,—SET III.

NEW YORK, MARCH 4, 1859.

2.

25000 25

12000

741

52

100

156 50

500

2648 75

ds of open-
be amount
sum of all
or between

Amount brought Forward		29848 75
✓	Paid J. D. Comstock Cash, in full of %	96
✓	Sold Wm. H. Crocker, on his note @ sixty days, 500 bbls Flour, (J. R. W. & Co.'s Consignment) @ \$9	4500
✓	Received per Steamer New World, from M. B. Scott, Cleveland, to be sold on his % and risk, 800 bush. Corn, invoiced @ 75c.	
	2000 do Oats, " @ 60c.	
	500 do Wheat, " @ \$1 38	
	Paid Freight and Insurance, in cash	175
✓	Sold J. C. Bryant, for cash, 5000 bush. Wheat, (J. R. W. & Co.'s consignment) @ \$1 50	7500
✓	Closed J. R. Wheeler & Co.'s Consignment, and rendered them an Ac- count Sales of the same. Our charges for Storage and Advertising, \$ 25 00 Our Commission on Sales, 300 00 J. R. Wheeler & Co.'s net proceeds 11575 00	11900
✓	Shipped per Steamer Swiftsure, and Consigned to Cobb & Co., New Haven, to be sold on our % and risk, 100 bbls. Flour from Store, valued at \$9 900 00 800 bush. Corn, (M. B. S.'s Consignment) @ 80c. 640 00 Paid Cash for Insurance—premium and policy 8 70	1548 70
✓	Paid Dawson, Warren & Hyde Cash to balance %	62 50
✓	Received Cash of S. S. Packard in full of %	52
✓	Sold Charles Claghorn, for Cash, 2000 bush. Oats, (M. B. S.'s Consignment) @ 75c. 1500 00 500 bush. Wheat, do do @ \$1 50 750 00	2250
✓	Closed M. B. Scott's Consignment, and rendered him an Account Sales of the same. Our charges for Storage and Advertising 40 00 Our Commission on sales 72 25 M. B. Scott's net proceeds, remitted in cash 2802 75	2715
		70647 95

DAY BOOK, SET III.
NEW YORK, MARCH 10, 1859.

Amount brought forward	70647	95
10		
✓ Received Cash of Jno. W. Gaits, in full of %	875	
11		
✓ The steamer on which we shipped goods to Sheldon & Co., Albany, was sunk by collision, and our goods, which were rescued in a damaged con- dition, and upon which there was no insurance, were sold at auction for cash	150	
12		
✓ Received from C. S. Dole & Co., Chicago, to be sold on their % and risk, 500 bbla. Extra Superfine Flour, 1000 do Superfine do 3000 bush. Rye, Paid Freight in Cash	300	
13		
✓ Sold E. R. Felton, at thirty days, on %, 500 bbls Superfine Flour, (C. S. D. & Co.'s Consignment, @ \$8 00	4000	
"		
✓ D. V. Bell has returned our note issued Feb. 7, and we have surrendered his of the same date and amount	500	
15		
✓ Paid Cash for Taxes on Real Estate 150 00 Also for Clerks' Salary to date 125 00	275	
16		
✓ H. B. Bryant has drawn Cash for private use	500	
"		
✓ Received Cash of S. S. Packard for his note now due	57	50
17		
✓ Received Cash of J. T. Calkins in full for his note	900	
"		
✓ Received advice from Cobb & Co., New Haven, of the sale of 150 bbla. Flour and 800 bush. Corn, shipped them on the 7th inst., Net proceeds remitted in Cash	1900	
	78905	45

DAY BOOK,—SET III.

NEW YORK, MARCH 20, 1859.

70847 95

775

150

300

4000

500

275

500

57 50

900

900

905 45

Amount brought forward		78205	45
30			
✓	Sold John R. Penn, for cash, 500 bbls Extra Superfine Flour, (C. S. D. & Co.'s Consignment) @ \$9	4500	
22			
✓	Sold for Cash, to E. H. Bender, Albany, 30 Shares Union Bank Stock @ \$100	3000	
25			
✓	Paid our Note in Cash, favor of Smith & Co., due Feb. 26 1000 00 Interest due on same to date 5 83	1005	83
"			
	Paid Cash for our Note of the 14th ult., at five months, favor of A. M. Clapp, Face of Note 1585 57 Cash paid 84 48 Discount off to July 18 1600 00	1600	
"			
✓	Sold J. H. Goldsmith, for Cash 500 bbls. Superfine Flour, (C. S. D. & Co.'s Consignment) @ \$8 50	4250	
"			
✓	Accepted J. R. Wheeler & Co.'s Draft on us @ three days sight	11575	
27			
	Closed C. S. Dole & Co.'s Consignment, and rendered them an Account Sales—3000 bushels Rye remaining unsold, Our charges for Storage and Advertising 50 00 Our Commission on Sales 318 75 C. S. Dole & Co.'s net proceeds 12081 25	12450	
"			
✓	Paid our Note favor of Francis & Loutrel, in Cash	235	
"			
✓	Remitted C. S. Dole & Co. Cash to balance %	12081	25
31			
✓	Paid sundry Expenses this month, in Cash	75	
		122977	53

JOURNAL,—SET III.

NEW YORK, MARCH 1, 1850.

Dr.

Cr.

Sundries	Dr.	To H. B. Bryant		25003	86
Merchandise			2118		
Union Bank Stock			8100		
Real Estate			12000		
Cash			6290	75	
Bills Receivable			757	50	
S. S. Packard			52		
Jno. W. Gantz			375		
Union Bank			1000		

H. B. Bryant	Dr.	To Sundries	12006	3335	
		" Bills Payable		96	
		" J. D. Comstock		112	50
		" Ivison & Phinney		62	50
		" Dawson, Warren & Hyde		9000	
		" Mortgage Payable			

Shipment to Albany	Dr.	To Sundries	741	740	
		" Merchandise		1	
		" Cash			

"Shipment to Albany" is a new account, opened to represent a particular enterprise, and although it relates to merchandise, it is distinct from the merchandise *in store*, and is given this new name to mark that distinction. It is as though we had sold our merchandise for \$740, and immediately invested the same in this adventure. The account is debited with its cost, and merchandise and cash credited, as per *formula* on page 17.

Cash	Dr.	To Merchandise	52	52	
------	-----	----------------	----	----	--

J. R. Wheeler & Co.'s Consignment		To Cash	100	100	
-----------------------------------	--	---------	-----	-----	--

The account here opened—J. R. Wheeler & Co.'s Consignment—is precisely the same, in effect, as would be an account with J. R. Wheeler & Co., although it really represents the property of that firm, which we receive, as commission merchants, to sell. Instead, therefore, of debiting the Consignment account with the value of the property, we debit it only with what it has cost us.

Sundries	Dr.	To Merchandise		156	50
Ivison & Phinney			112	50	
Cash			44		

Ivison & Phinney's draft on us is simply their order for the amount we owe them, and for which they stand credited on our books. If we accept or pay the draft, we must, of course, debit them, which will close their account.

Cash	Dr.	To Real Estate	500	500	
------	-----	----------------	-----	-----	--

\$2649 75 \$2646 75

JOURNAL,—SET III.

NEW YORK, MARCH 4, 1850.

2

Amount brought Forward \$8948 75 \$8948 75

J. D. Comstock	Dr.	Cash	96		96
Bills Receivable	Dr.	J. R. Wheeler & Co.'s Consignment	4500		4500
M. B. Scott's Con- signment	Dr.	To Cash	175		175
Cash	Dr.	To J. R. Wheeler's Con- signment	7500		7500
J. R. Wheeler & Co.'s Consignment	Dr.	To Sundries To Storage and Advertising " Commission " J. R. Wheeler & Co.	11900		25 300 11575
The entry above is made for the purpose of exhibiting on our books the net amount owing to J. R. Wheeler & Co., as the result of our business with them so far; and as their Consignment account was used to show the facts connected with the sale of their property, we can ascertain from this account how much they are entitled to, as net proceeds, which is the difference between the sides of that account, when its entire net proceeds are properly shown; in this case, \$11575. The effect of this entry will be to close the Consignment account, and carry its results to the account of J. R. Wheeler & Co.					
Shipment to New Haven	Dr.	To Sundries To Merchandise " M. B. Scott's Consignment " Cash	1548 70		900 640 8 70
Dawson, Warren & Hyde	Dr.	To Cash	62 50		62 50
Cash	Dr.	To S. S. Packard	52		52
Cash	Dr.	To M. B. Scott's Consignment	2250		2250
M. B. Scott's Consignment	Dr.	To Sundries To Storage and Advertising " Commission " Cash	2715		40 72 25 2602 75

70647 95 70647 95

JOURNAL,—SET III.

NEW YORK, MARCH 10, 1859. Dr. Cr.

Amount brought Forward		70647	95	70647	95
10					
Cash	Dr.				
		To J. W. Gantz	375		375
11					
Cash	Dr.				
		To Shipment to Albany . . .	150		150
Shipment to Albany is treated precisely as any property or representative account; having been debited with its cost, we now credit it with its proceeds. The difference will be, in this case, our loss.					
C. S. Dole & Co.'s Consignment		Dr.			
		To Cash	300		300
13					
E. R. Felton	Dr.				
		To C. S. Dole & Co.'s Consignment	4000		4000
Bills Payable		Dr.			
		To Bills Receivable	500		500
15					
Sundries	Dr.				
Real Estate		To Cash	150		275
Expense			125		
16					
Private Account	Dr.				
		To Cash	500		500
According to the principles already expressed, it would be proper to debit H. B. Bryant with this amount, as he has drawn it from the business for his own private use. "Private Account," then, is simply a subdivision of H. B. Bryant's, or Stock Account, and should, eventually, be closed into this account.*					
Cash		Dr.			
		To Bills Receivable	57	50	57 50
Cash		Dr.			
		To Bills Receivable	200		200
			77005	45	77005 45

* Some authors teach the propriety of opening a "Private Expense" account for transactions of this kind, adding it into Loss and Gain, the same as the general Expense account of the business. It requires no great tact to see the fallacy of this reasoning.—If, indeed, it is properly so called—as, in such a case, the prosperity or adversity of the business would depend, not on the real amount of gain or loss, but upon how much was drawn out for private use. There is no more justice in debiting Loss for sums drawn from a concern by the sole proprietor, than there would be for sums drawn by a partner. The authors who propagate this fallacy, usually give two rules for journalizing—both "infallible,"—one for stock books, and another, and different one, for partnership books.

JOURNAL,—SET III.

NEW YORK, MARCH 18, 1859. Dr.

Amount brought Forward		77005 45	77005 45
18			
Cash	Dr.	To Shipment to New Haven	1900
			1200
20			
Cash	Dr.	To C. S. Dole & Co.'s Con- signment	4500
			4500
22			
Cash	Dr.	To Union Bank Stock	3000
			3000
25			
Sundries	Dr.	To Cash	
Bills Payable			1000
Interest			5 83
It should be borne in mind that notes, like cash, ought always to be debited and credited with the value written upon them. If they are really worth more or less than this expressed value, that difference must be shown in some other account. In the case above, the face of the note is \$1000; but the worth of the note, with the interest due upon it, is \$1005.83; and this is the amount we are obliged to pay, in order to cancel it. We therefore debit Bills Payable with the face of the note, and interest with the amount we pay for interest.			
Bills Payable		To Sundries	1600
	Dr.	To Cash	
		Interest	1665 57
			34 43
In this case, the note is really worth less than its expressed value, as we are obliged to pay for it only \$1565.57, which is \$34.43 less than its face. We here debit Bills Payable with the face of the note, according to principles laid down, and credit Cash for the amount of cash paid, and interest for the difference, that being the amount produced by interest, or by paying our note before it is due.*			
Cash		To C. S. Dole & Co.'s Consignment	4250
	Dr.		4250
J. R. Wheeler & Co. Dr.		To Bills Payable	11575
			11575
		104136 28	104136 28

*The difficulty experienced by teachers in explaining the debit and credit of Interest arises most frequently from the fundamental error of definition. Webster defines Interest—"Premium [cash] paid for the use of money." This definition answers Webster's purpose admirably; but the accountant who accepts it for the purpose of applying any rule for journalizing, will most assuredly get befogged; for interest is not what is received or paid for the use of money, but the use of money itself. As well might one say that labor is what is received or paid for services rendered. To make this distinction plain, let the student bear in mind that whoever uses the money upon which interest is to be paid, pays for the use; in other words, pays for the interest. When defined in this way, he will have no difficulty in applying any rule or principle competent to distinguish debits and credits.

JOURNAL,—SET III.

NEW YORK, MARCH 27, 1859.

Brought forward,		104136	28	104136	28
27					
C. S. Dole & Co.'s } Dr.	To Sundries	12450		50	
Consignment }	" Storage and Advertising.			318	75
	" Commission			12081	25
	" C. S. Dole & Co.				
30					
Bills Payable	Dr.	235		235	
	To Cash				
31					
C. S. Dole & Co.	Dr.	12081	25	12081	25
	To Cash				
31					
Expense	Dr.	75		75	
	To Cash				
		128977	53	128977	53

We have thought proper to omit the Ledger in this Set, believing the student to be fully capable to post the accounts without assistance of this kind. We shall adhere to this plan hereafter, except in cases where some new principle or application may be otherwise more clearly shown. The result of this business will differ from that shown in the preceding Sets, exhibiting, instead of a net gain, a net loss. This fact will of course, be apparent in the Loss and Gain account—the debit side of that account being the larger—which will be closed "By Stock," and the result carried to the debit side of Stock (H. B. Bryant's) account. Before attempting to show the result of the business, by closing the Ledger or making a Statement, the student must not forget to close "Private Account" into H. B. Bryant's (Stock) account, it having already been explained that Private Account was merely a subdivision of Stock account. This might have been done, and very properly, too, by a regular Journal entry, but the result is the same, and the method here suggested, besides being more simple and direct, is equally intelligible.

In order, however, that the student may be made familiar with the various methods of closing Ledger accounts, we shall exemplify in the succeeding Set the manner of producing all the results through the Journal. This latter method is practised to considerable extent in business houses, and particularly in joint stock concerns.

We have here a somewhat novel feature, indicated in the Inventory as "Interest Payable, due on Mortgage." This represents the interest which has accumulated and is unpaid on the mortgage held against us; and is as much a liability as the mortgage itself. In closing up the Interest account, this amount (\$84) should be brought in, on the debit side in red ink "To Interest Payable," and carried to the Balance account as a liability. Were the business to be continued under the same proprietorship, this accumulating interest might be allowed to run on without mention until paid, when it would be charged to Interest %, thereby decreasing the gains; but as it is necessary to show the exact state of the business at this time, all the liabilities must be shown.

The student will please make his Ledger conform to the following Trial Balance, and close it in accordance with the Statement which follows.

TRIAL BALANCE—INVENTORY.

Trial Balance.

Balance.	Total Footings.	Ledger Accounts.	Total Footings.	Balance.
	12806	H. B. Bryant	25603 25	13087 35
209 60	2118	Merchandise	1848 50	
318 75	3100	Union Bank Stock	3000	
081 25	12150	Real Estate	500	
	11837 65	Cash	10083 60	
4500	5257 50	Bills Receivable	757 50	
	59	S. S. Packard	52	
	375	J. W. Gantz	375	
1000	1000	Union Bank		
	3335	Bills Payable	14010	11575
	96	J. D. Comstock	96	
	112 50	Iverson & Phinney	112 50	
	62 50	Dawson, Warren & Hyde	62 50	9000
501	741	Mortgage Payable	9000	
	12000	Shipment to Albany	150	
	2880	J. R. Wheeler & Co.'s Consignment	12000	
348 70	1548 70	M. B. Scott's Consignment	2880	
	12750	Shipment to New Haven	1200	
4000	4000	C. S. Dole & Co.'s Consignment	12750	
	5 88	E. R. Felton		
		Interest	34 43	28 60
	11575	Storage and advertising	115	115
200	200	Commission	691	691
500	500	J. R. Wheeler & Co.	11575	
	12081 25	Expense		
34496 85	128077 53	Private Account		
		C. S. Dole & Co.	12081 25	
			128077 53	34496 85

INVENTORY.

Property Remaining Unsold, March 31.

50 sets Spencerian Writing Books	37 50
Real Estate, valued at	12000

Liabilities not shown on Ledger.

Interest Payable. Due on Mortgage	64
---	----

STATEMENT,—SET. III.

Losses and Gains.

			Losses.	Gains.
MERCHANDISE,	Cost	\$118 00		
	Proceeds from sales	1848 80		
	Mdse. unsold (per Inv.)	27 80	1288 00	
	Loss	323 00	223	
UNION BANK STOCK,	Cost	\$100 00		
	Proceeds	2000 00		
	Loss	100 00	100	
	Proceeds from rent	800 00		
REAL ESTATE,	Value of unsold	12000 00	12800 00	
	Cost	12180 00		
	Gain	280 00		250
	Cost	741 00		
SHIPMENT TO ARBANY,	Proceeds	120 00		
	Loss	281 00	501	
	Cost	89 83		
	Proceeds	24 43		
INTEREST,	Loss	58 40	55 40	
	Proceeds			115
	Commission,			691
	Expense,			
STORAGE & ADVERTISING,	Cost			
	Proceeds	1848 70		
	Loss	1200 00	348 70	
	Net Loss	248 20		
			1527 10	1527 10

Resources and Liabilities.

		Resources.	Liabilities.
1st. Property Unsold.			
MERCHANDISE,	Per Inventory	87 50	
	REAL ESTATE	12000	
2d. Ledger Accounts.			
CASH,	Amount on hand	11337 65	
	UNION BANK,	4500	
BILLS RECEIVABLE,	Amount on Deposits	1000	
	BILLS PAYABLE,		11575
MORTGAGE PAYABLE,	Outstanding Notes		9000
	INTEREST PAYABLE,		84
E. R. FELTON,	Once us on %	4000	
	H. B. BRYANT,		
Capital invested (net)	19087 35		
	Drawn out (Private %)	500 00	
Net loss	271 10	271 10	
	Present interest in the concern	12216 15	
		32875 15	32875 15

H. B. BRYANT'S BOOKS CLOSED.

From the foregoing statement the student will be enabled to close up this Ledger with certainty, and to produce the results in a Balance account which are exhibited under the head of Resources and Liabilities there shown. The only difference between this and the preceding sets is, that the business has been a losing instead of a prosperous one, and that, consequently, the net resources of the concern are diminished.

Mr. Bryant now proposes to change his business, and to take in a partner, Mr. H. D. Stratton, who is to furnish an equal amount of capital. The new concern will commence with a cash capital and with no liabilities. A new set of books will be opened. This will leave Mr. Bryant to close up his old business in his own books.

The Memoranda below are for that purpose, and the student is required to write up the transactions given, and produce a Balance Sheet of the result before commencing the next set.

In closing up the business of H. B. Bryant, as per memoranda, it will not, of course, be necessary to open a new Ledger, nor even new accounts in the old Ledger; particularly, if there be sufficient space under the old accounts for the few necessary entries. The opening entries below, enumerating resources and liabilities are supposed to be taken from the last Balance account. The same purpose would be effected by bringing the balances down under their proper accounts, instead of transferring them to the Balance account. This method is shown at length in the succeeding set.

Memoranda—H. B. Bryant's Books Continued.

April 1. The following is a statement of the Resources and Liabilities of H. B. Bryant's private books, as taken from the Balance account of his Ledger:

Resources.—Money on hand, \$37.50; Real Estate, \$12000; Cash, \$11337.65; Bills Receivable, \$4500; Union Bank, \$1000; E. R. Felton's indebtedness, \$4000.

LIABILITIES.—Bills Payable outstanding, \$11575; Mortgage Payable, \$9000; Interest due on same, \$34; Bryant's net investment, \$12316.15.

1. Invested in the concern of Bryant and Stratton, Cash, \$10000.* 2. Received Cash of E. R. Felton, in full of \$, \$4000. 3. Sold Bryant & Stratton Store and Fixtures for \$12500. Transferred Mortgage for \$9000; Interest due on same, \$34; received Cash for balance, \$3416. 3. Paid our acceptance favor of J. B. Wheeler & Co., \$11575. Gave in payment W. H. Crocker's Note, due May 7, \$4500, less discount off 34 days, \$29.75; Cash for balance, \$7104.75.† 10. Sold James Atwater, Lockport, for Cash, 50 sets of American Writing Books @ 80 cents, \$40. 15. Deposited in Union Bank, Cash, \$1688.90. 30. Drew from Union Bank and invested in Bryant & Stratton's concern, \$2688.90.

* The account with Bryant & Stratton should be treated in H. B. Bryant's books the same as any personal account. Mr. Bryant has, in reality, *lent* this money to Bryant & Stratton. He, therefore, should debit them and credit cash. See corresponding entry on Bryant & Stratton's Books, Set IV.

† The note which we hold against W. H. Crocker is really worth its face, less the interest for the time it has yet to run, and will be received only for its real value, \$4470.25. In this transaction, therefore, we pay for our note, \$11575, and for the discount on W. H. Crocker's note, \$29.75. Our entry, then, is,—*Debit*: Bills Payable, \$11575; Interest, \$29.75—*Credit*: Bills Receivable, \$4500; Cash, \$7104.75.

COMMISSION BUSINESS.

Trial Balance.

Debit.	Credits.		Debit.	Credits.
	\$7 50	H. B. Bryant	12218	15
13000		Merchandise	40	
18795	65	Real Estate	12500	
4500		Cash	18795	50
4500		Bill Receivable	4500	
11875		Bank	2668	50
5000		Bill Payable	11575	
4000		Interest Payable	5000	
		W. C. Felton	4000	
		Bryant & Stratton		
		Interest		
12718	65 70		7513	70 12718 65

Balance Account.

Assets.		Liabilities.	
Bryant & Stratton	12583 50	H. B. Bryant	12583 90

The above Balance account shows the final result of the three months' business of H. B. Bryant, embraced in the foregoing three Sets, and most clearly demonstrates the fundamental principle for which we have contended. It will be apparent that this result could as well, and much more easily, have been shown without closing the Ledger at the end of each month, but the student, if he has faithfully followed his instructions, will not find it necessary to inquire why this was not done. We might have presented a greater variety of transactions had we chosen a different kind of business for each Set; but that would have deprived us of one of our chief objects—that of exhibiting the method of opening a new set of Books from the Balance account of an old Ledger, and the continuation of the same business from one set to another. Having, as we think, faithfully accomplished this part of our design, we shall seek new attractions and illustrations in other channels.

COMMISSION BUSINESS.

SALES BOOKS AND ACCOUNTS SALES.

On the three following pages we give a few brief examples of the special sales necessary in a Commission business. They are not submitted as models, but as forms intended to be used in use. The Commission Sales Book on pages 72 and 73 contains all the particulars connected with the three consignments which comprise a large share of our business in Sets, and the Accounts Sales on the opposite page are simply abstracts of those special sales, such as the commission merchant sends to his principal upon the "closing out" of a consignment. We have varied the form in these Accounts Sales, that the student may become familiar with the different methods of expressing the same result, in use among business men.

ACCOUNTS SALES,—SET III

Account Sales of { 500 bbls. Flour,
5000 bush. Wheat, } on % and risk of J. R. Wheeler & Co.

Mar. 5	Sold Wm. H. Crocker, on his Note @ sixty days, 500 bbls Flour, @ \$9	4500 00	
6	Sold J. C. Bryant, for Cash, 5000 bush. Wheat, @ \$1.50	7500 00	19000
Charges.			
2	Paid Freight, in Cash	100 00	
6	Storage and Advertising	25 00	
	Commission, 2½ % on \$12000	300 00	425
J. R. W. & Co.'s net proceeds			11575
Due by Equation, March 30.			
E. E.			
New York, March 6, 1859.			
H. B. BRYANT, per Packard.			

M. B. Scott—In Account Sales with H. B. Bryant.

1859	Mar. 5	To Cash paid Freight and Ins.	175	1859	Mar. 7	By 500 bush. Corn, @ 50 c.	250
	6	" Storage and Advertising	40			Taken to our account.	
		" Commission 2½ % on \$2390.	73 25		9	By Cash, Sold C. Claghorn, 3000 bush. Oats @ 75 c. \$1500	
		" M. B. Scott's net proceeds	2503 75			500 bush. Wheat @ \$1.50	750
		Remitted herewith.					2250
		E. E.	2590				2250
New York, March 3, 1859.				H. B. BRYANT, per Packard.			

Sales of { 500 bbls. Extra Superior Flour,
1000 do. Super. do., } for % of O. S. Dole & Co.
By H. B. BRYANT.

			Barrels Ex. Sup. Flour.	Barrels Super. Flour.		
Mar. 14	E. R. Felton, @ thirty days			500	@ \$8.00	4000
20	Cash		500		@ 9 00	4500
25	Cash			500	@ 9 50	4750
Charges.				1000		1250
12	Paid Freight in Cash				500	
20	Storage and Advertising				50	
	Commission, 2½ % on \$12750				318 75	463 75
O. S. Dole & Co. or as cash, March 29						19061 25
E. & O. N.				H. B. BRYANT, per Packard.		

AUXILIARY BOOKS,

Commission

This Book is used for the convenience of the Commission Merchant, that he may be able to see, at a glance, the condition of each Consignment.

1850	Per. For.	Per. For.	J. R. Wheeler & Co's			
Mar. 2	500	5000	Per N. Y. & E. R. R.			
			To CASH,	Paid Transport Charges	100	
			STORAGE & ADVERTISING,		25	
			COMMISSION,	2 1/2 % on \$12000. . . .	300	425
			J. R. WHEELER & Co.,	Net Proceeds		11675
	500	5000		Due by Equation Mar. 20 th		12000

1850	Per. For.	Per. For.	Per. For.	M. B. Scott's			
Mar. 5	500	3000	500	Per Steamer New World.			
				To CASH,	Paid Freight and Ins. .	175	
				STORAGE & ADVERTISING,		40	
				COMMISSION,	2 1/2 % on	75	257 25
				CASH,	Net Proceeds remitted .		2602 75
	500	3000	500				2690

1850	Per. For.	Per. For.	Per. For.	C. S. Dole & Co's			
Mar. 12	500	1000	3000	Per People's Line.			
				To CASH,	Paid Freight . . .	500	
				STORAGE & ADVERTISING,		50	
				COMMISSION,	On \$12750 @ 2 1/2 % .	318 75	665 75
				C. S. DOLE & Co.,	Net Proceeds		12081 25
					Due by Equation Mar. 29		12750
	500	1000	3000				

* The method of equating time is fully explained in that portion of the work devoted to "Commercial Calculations."

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[illegible]

EXERCISES FOR THE LEARNER.—THIRD SERIES.

EXERCISES FOR THE LEARNER.

THIRD SERIES.

Memoranda.

March 1st, Commenced business with the Resources and Liabilities as shown in the Balance account of Ledger B.* 2d, Sold L. S. Bliss, for cash, 25 pieces Merrimac Prints, @ \$5.75. Received from Joseph Cary, Albany, to be sold on his % and risk, 200 bbls. Flour, invoiced @ \$8; 10,000 lbs. canvassed Hams, invoiced at 11 c. Paid freight on same, in cash, \$100. 4th, Shipped N. C. Winslow, Cleveland, to be sold on our % and risk, 200 sacks Coffee, 12,000 lbs. @ 9 c.; 6 piper Wine, 720 gals., @ \$3.50; paid cash for Insurance on same, \$50. 5th, Sold W. H. Hollister, on his note at 60 days, 200 bbls. Flour, (Cary's Consignment,) @ \$9. Received cash in full of John Brown's acceptance, dated Feb. 20, at 10 days, \$100. 7th, Shipped per steamer Isaac Newton, and consigned to J. G. Deahler & Co., Buffalo, to be sold on our % and risk, 102 boxes Sugar, each 500 lbs. @ 5 c., which we purchased of Samuel Jones, giving in full payment therefor his note of Feb. 8, for \$2250. 9th, Sold John J. Cape, at 10 days on %, 10,000 lbs. canvassed Hams, (Cary's Consignment,) @ 11 c. 12th, Closed Cary's Consignment, and rendered him an Account Sales of the same. Our charges for storage and advertising, \$25; commission 2½ % on \$2,900, \$72.50. Joseph Cary's net proceeds, \$2702.50. Due by equation April 23. 14th, Received of L. S. Paine, Tonawanda, to be sold on his % and risk, 2000 bush. Corn, invoiced at 80 c.; 1000 bush. Wheat, invoiced at \$1.75; paid freight in cash, \$150. 15th, Sold Stephen A. Douglas, for cash, 1,000 bush. Wheat, (Paine's Consignment,) @ \$1.90; Sold Horace Greeley, for cash, 2,000 bush. Corn (Paine's Consignment,) @ 90 c. 16th, Closed Paine's Consignment, and rendered him an Account Sales. Our charges for storage, etc., amount to \$15. Our commission, @ 2½ %, \$3700, \$92.50. L. S. Paine's net proceeds remitted in cash. 20th, Received advice from N. C. Winslow, Cleveland, of the sales of Coffee and Wine shipped him on the 4th inst. Our net proceeds of the same amount to only \$2500, which he has remitted us in cash. 21st, J. H. Bell pays us cash to balance %, \$37.50. 22d, Paid James Buchanan's draft on us for \$2520, in cash. 25th, Received advice from J. G. Deahler, Buffalo, of the sales of the sugar sent him on the 7th inst., our net proceeds of which are \$2700, and for which he has remitted us his note @ 10 days from March 17th. Received cash of John J. Cape, in full of his indebtedness. 26th, Closed our % with Joseph Cary, due by equation, April 23; amount due him \$2702.50; discount off, in our favor \$14.70. Paid him W. H. Hollister's note, due May 7th, for \$1800, less discount for 42 days, Cash for balance, \$902.50.† 30th, Paid clerk hire and rent in cash, \$175. Received cash in full from J. G. Deahler's note of the 17th, due this day.

* Second Series.

† In cases of this kind, where a debit of interest may offset a credit of the same amount, it may be optional with the accountant whether or not he make any entry to the Interest account. If it be desirable to show the total amount received and paid for interest, it will be necessary to enter all the debits and credits of the account, whether they cancel or not.

EXERCISES FOR THE LEARNER.

Trial Balance.

Balances.		Total Postings.				Total Postings.	Balances.	
		3815		Stock		7419	06	7419
		7150		Merchandise		8833	75	18
6378	41	13718	41	Bills Receivable		7150		
		37	50	Cash		7340		
		2520		J. H. Bell		37	50	
		2900		J. Buchanan		2520		
1240		3740		Cary's Consignment		2900		
		2550		Shipment to Cleveland		2500		
		1100		Shipment to Buffalo		2700		150
				John J. Cape		1100		
				Storage and Advertising		40		40
		2703	50	Commission		105		105
		3700		Joseph Cary		2703	50	
		34	70	L. S. Paine's Consignment		3700		
175		175		Interest		14	70	
				Expense				
7793	41	44123	11			44123	11	7793

Balance Account.

Resources.		Liabilities.	
Cash	6378 41	Stock	6378 41

TO THE STUDENT.

It is presumed that you have, so far, followed out the design of the work in its practical and progressive development of the principles of Accounts, omitting nothing which has been proscribed, because you could not, for the moment, appreciate all its benefits. If you have pursued this policy, you cannot, at this stage, fail to see the advantages derived from these series of "Exercises for the Learner." Our object in instituting this feature was to shield you from the temptation of passing over the work without the trouble of *thinking*. We know the strength of such temptations, and we know, also, the utter fruitlessness of the issue, when they prevail.

We have, so far, confined our record of transactions to the old Italian method of historical Day Book, with Journal separate. We did so on account of its greater simplicity, and because we did not wish to distract the mind from more important considerations which it was necessary to enforce. As you are now more thoroughly grounded in the great truths of the science, we shall henceforth give a little attention to the more practical forms in use, and to a greater scope and variety of entries than heretofore. We wish you particularly to note the peculiar form of the Journal Day Book introduced in the following Set, that you may be able to express, in this manner, any conceivable transaction, combining all the essential points of the separate Day Book and Journal. Very few business houses adopt the old method of first entering transactions in a historical Day Book, and journalizing therefrom. Where more severely practical forms—for the purposes of condensation—are not in use, the Journal Day Book meets with great favor, as being both plain and practical.

QUESTIONS FOR REVIEW.

QUESTIONS FOR REVIEW, — SET III.

1. In what particular does the statement on opening the books in this set differ from previous statements. 2. What liabilities can there be to a business except to outside parties? 3. How can you ascertain what the concern owes to the proprietors or stockholders? 4. Is this amount always apparent? 5. Why not? 6. What does the account "Shipment to Albany" represent? 7. In what particular does it differ from Merchandise account? 8. What is represented by the account "J. R. Wheeler & Co.'s Consignment"? 9. Should his account be debited with the value of the property consigned to us? 10. How would such an entry affect us? 11. When the property represented in "Consignment" account is disposed of, why do you cancel the account? 12. How do you determine the net proceeds of a Consignment? 13. What is represented by "Storage and Advertising" account? 14. What by "Commission"? 15. What is the nature of a draft? 16. Why do you debit Ivism & Phinney with the face of their draft? 17. In what particular does H. B. Bryant's "Private account" differ from his Stock account? 18. How is "Private account" sometimes closed? 19. Why is it not proper to represent the balance of such an account as a gain or a loss? 20. Would the same rule apply to Partnership as to Stock books in this regard? 21. With what amounts ought notes and cash always to be debited and credited? 22. If they are really worth more or less than the face, how ought the difference to be shown? 23. What is the chief difficulty in explaining the debit and credit of interest? 24. Will Webster's definition of "Interest" suffice as a basis for journalizing? 25. What is a correct definition of "Interest" as the accountant should view it? 26. Is the business represented in Set III, a gaining or losing business? 27. How can you ascertain? 28. How will a loss in business affect the proprietors' account? 29. How should the account of Bryant & Stratton be treated in Mr. Bryant's private books? 30. How should the interest due on "Mortgage Payable" have been represented at the close of the March business? 31. How could it have been done? 32. Would this have increased or decreased the loss?

GENERAL QUERIES.

33. In opening a Set of Books, what is the first consideration? 34. What will always be the difference between the resources of a concern and its outside liabilities? 35. Does Stock account in an individual business always represent the invested capital? 36. When does it not? 37. Will Stock account and the Representative accounts, taken together, always represent the invested capital? 38. Why are the Representative accounts so called? 39. Are they less real than the accounts technically so called? 40. If the increase and diminution of resources, commonly called gains and losses, should be carried immediately to Stock or Partners' Accounts, would there exist any necessity for Representative accounts? 41. What would the difference between the debit and credit sides of Merchandise account represent in that case? 42. How many methods are there of indicating the loss or gain in business? 43. What are they? 44. In what way can these two methods be made to prove each other? 45. In a final exhibit of resources and liabilities, what becomes of the Representative accounts?

* To one who has looked carefully at the distinction between Real and Representative accounts, as shown in this treatise, it will be apparent that Representative accounts are temporarily used for convenience only, containing the gains and losses which are finally to be carried to Stock or Partners' accounts, thereby increasing or decreasing the net investment; while Real accounts are permanent, exhibiting perpetually, in the difference between their sides, exact resources or liabilities. While Representative accounts must always cease to exist by being absorbed into the accounts which they represent, whenever an exhibit of the condition of the business is necessary, Real accounts form the essential matter of all such exhibits.

SEI IV.

JOURNAL DAY BOOK,

COMMISSION SALES BOOK, INVOICE BOOK, FORMS OF NOTES,
DRAFTS, LETTERS, ETC.

LEDGER CLOSED WITHOUT BALANCE ACCOUNT; ALSO, BY JOURNAL ENTRIES.

PARTNERSHIP BUSINESS: PROSPEROUS.

REMARKS ON SET IV.

REMARKS ON SET IV.

In the transactions of this Set, we have introduced several new features, which will require more than a passing thought from the student.

FIRST.—*The form of original entry—combining the Day Book and Journal.* This form is the most practical in use for general purposes, and is adopted, in essence, by accountants, in every department of business. Its chief advantages are in dispensing with a separate Journal, and in bringing the Day Book and Journal entries into such immediate connection as to leave no room to doubt their identity. The only objection that can be urged against it is the difficulty of making the entry intelligible, as well as symmetrical. As there can exist no transactions more difficult of expression than those given in this Set, we think this objection should have very little, if any, force. However, the student will often find his ingenuity taxed to the utmost in submitting transactions to this form.

SECOND.—*The different methods of considering Mdse. Co. transactions.* It will, of course, be understood that by "Merchandise Companies" is meant the temporary copartnerships existing between the consignor and consignee, having reference to the sale of particular consignments of merchandise. The nature of this species of copartnership differs from that of a general copartnership only in its duration, and the manner of conducting its sales. In Mdse. Co. business, one of the partners—the consignee—is the commission merchant, and, in that capacity, receives and disposes of the property as he would of a simple consignment; the only difference being that he is interested in the gains and losses. The two methods alluded to, and which are fully illustrated in the two months comprising this Set, differ only as regards the opening and closing entries. In the *first* method—exemplified by the three Mdse. Co. accounts, "A," "B," and "C," in the month of April—the principle recognized is, that the *holder* of the property is responsible for it. Thus, when we receive from Logan, Wilson & Co. an invoice to be sold on joint $\%$, we debit "Mdse. Co. A" with the invoice and expenses, and credit the consignors with the cost of the invoice, thus making ourselves responsible for the property as though it were all our own. The consignor's entry, if recognizing the same principle, will be to debit us for the entire cost of the merchandise.* In the *second* method, shown by the three Mdse. Co. accounts, "D," "E," and "F," the principle recognized is that the *owner* of the property is responsible. Thus, when we receive from Wm. K. Sadler, merchandise to be sold on joint account, we debit "Mdse. Co. D" with *our own share* only, and credit the consignor. The consignor's entry, in this case, if made to correspond with ours, would be to debit us for our share, and "Shipment in Co. to New York," for his share.

Where there are more than two parties interested, if the accounts are kept by the *first* method, the consignee should, as before, debit the Mdse. Co. account with its entire cost—in invoice and expenses—and credit the consignor with their (the consignee's and consignor's) joint share, and any other party or parties with his or their share. The consignor would, in such a case, debit the consignee with their joint share, and each of the other parties with his or their share. The other parties would, if making an entry, correspond, debit the consignee and credit the consignor each for his own share.

Where there are more than two parties interested, and the accounts are kept by the *second* method, the consignee should debit "Mdse. Co." account for *his own share* and the charges, and credit the consignor for his (the consignee's share). The consignor, on the other hand, should debit each of the parties for their respective shares, and "Ship't in Co." for his own

* The supposition, in all these cases, is that the consignor furnishes from his own resources the property shipped.

REMARKS ON SET IV.

share. Each of the other parties should debit "Shipment in Co.," and credit the consignor each for his own share.

The examples given, it is hoped, will fully illustrate these several points, and fasten the principles upon the mind of the learner. As will be seen in the results, the only difference in the two methods, is a simple matter of time. By the first method, the consignee is considered as responsible for the property *when he receives it*, and by the second, *when he has disposed of it*. The final result is the same in either case.

We do not submit these separate methods because we deem our understanding of them so essential in the conduct of Mdse. Co. accounts,—although it is essential in this regard,—but because the more the learner permits himself to dwell upon these principles, and the better he comprehends them in all their bearings, the more thorough and available will be his knowledge of the science. He will learn little by copying the Journal where the opening and closing entries are made ready to hand, and the calculations upon which they are based are performed by the author, but in applying the principles in writing up the "Exercises" which follow, he will have ample opportunity to test his proficiency. We need hardly say, that, so far as Absolute right and responsibility are concerned, the *second* method is the correct and philosophical one—the principle recognized being that the *owner* of the property is responsible. The only advantage possessed by the *first* method is, that the "Mdse. Co." account shows its entire cost at the commencement.

The student will, doubtless, find it difficult to classify Mdse. Co. accounts, as, in their current condition, they are neither Real nor Representative. It is for this reason, mainly, that it is deemed best to close them by a Journal entry, when the property they represent is disposed of. They might be made either, Real or Representative. Thus, by debiting them with all the cost, and our share of the gain—(or, crediting with our share of the loss) the difference will represent what we owe to the parties interested, the account becoming thus Real. Or, by debiting them with all the cost and the gains of the other parties (or, crediting with the loss of other parties), the difference will represent our gain or loss, and the account thus becomes Representative. The learner will gain much by looking at this matter in all its bearings.

THIRD.—*The different methods of closing the Ledger.* In the month of April, the Ledger is closed without the use of a Balance account, by bringing down the resources and liabilities under their proper accounts. This is the *business* method; and if each month is supposed to represent a year, this would be a fair example of the manner of closing business books at the end of each year, forming a basis of resources and liabilities for the next year's accounts. The method of closing the Ledger by Journal entries, as exemplified in the month of May, is usual in a large proportion of business houses, though requiring more labor, and possessing no advantage over the method heretofore explained. The usual entry in bringing down resources and liabilities is: "Old account, Dr. To New account," and the reverse. The "Balance" account is precisely the same as "New account."

FOURTH.—*A larger variety of auxiliary forms.* We have purposely introduced a great variety of auxiliaries that the student may become familiar with forms. We shall hereafter indicate how a majority of these books might be used, in connection with the Journal, to contain the record of original entries. This practice is becoming very prevalent in the larger business houses, where it is essential for the purposes of dividing labor and avoiding unnecessary writing. For instance, one clerk may keep the Invoice Book, another the Sales Book, another the Cash Book, etc., and each of these may be so kept as to post directly from them to the Ledger, instead of passing all the transactions through the Journal. Or, the Book-keeper may himself prefer to keep these special books separate, and at the same time avoid unnecessary repetitions of the same entry.

JOURNAL DAY BOOK,—SET IV..

NEW YORK, APRIL 1, 1859.

H. B. Bryant and H. D. Stratton have this day entered into copartnership, under the style and firm of "Bryant & Stratton," in the prosecution of a general Commission and Grocery Business; to invest in equal amounts, and participate alike in gains and losses.

CASH	Dr.	10000	
	To H. B. BRYANT		10000
	For amount of his investment.		
EAST RIVER BANK	Dr.	10000	
	To H. D. STRATTON		10000
	For amount of his investment.		
STORE AND FIXTURES	Dr. To SUNDRIES	12500	
	Bo't of H. B. Bryant his store and fixtures.		
TO MORTGAGE PAYABLE	Assumed mortgage on the property		9000
" INTEREST	Due on mortgage to date		84
" CASH	For balance		3416
	3		
MERCHANDISE	Dr.	3900	
	To HOPE & Co.		3900
	Bo't on %.		
	4 casks Brandy, 500 gals. @ \$3 .	\$ 600	
	300 bbls. Mass Pork, @ \$9 .	1800	
	30,000 lbs. Bacon Sides, @ 5c .	1500	
EXPENSE	Dr.	75	
	To CASH		75
	Paid for set of Books.		
MDSE. CO. A.	Dr. To SUNDRIES	3900	
	Received from Logan, Wilson & Co., Pitts-		
	burgh, to be sold on our joint % and		
	risk, each \$.		
	300 kegs Nails, @ \$8 .	2400	
	30,000 lbs. Lead @ 7c .	1400	
TO LOGAN, WILSON & Co.	Their invoice as above		3800
" CASH,	Paid freight		100
	4		
MDSE. CO. B.	Dr.	4000	
	To NILES & KIRBY,		
	Received from N. & K., Buffalo, to be sold		
	on our joint % and risk, each \$.		
	500 bbls. Flour, @ \$8 .		4000
CASH	Dr.	1400	
	To MDSE. CO. A.		
	Sold Wm. H. Woodbury,		
	400 kegs Nails, @ \$3 50 .		1400
		45775	45775

JOURNAL DAY BOOK,—SET IV.

NEW YORK, APRIL 9, 1850.

Amounts brought forward 45775 45775

BILLS RECEIVABLE

Dr. 3300

To Mdsr. Co. A.

Bold Robert Haywood, on his note, @ thirty days.

20,000 lbs. Lead, @ 7 c. 1800

400 kegs Nails, @ 75 1800

3300

Mdsr. Co. A.

Dr. To SUNDRIES 800

Closed company sales with Logan, Wilson & Co., and rendered them an account of the same.

To STORAGE & ADVER.

" COMMISSION

Our charges @ 2 1/2 % on \$4700 10

" LOGAN & WILSON

Their 1/2 net gain, 117 50

" LOSS AND GAIN

Our " 330 25

330 25

NILES & KINNE

Dr. To SUNDRIES 2915

Shipped them to be sold on our joint %, each \$.

20 hhls. Sugar, 24,000 lbs. @ 5 c. 1200

100 bags Coffee, 14,000 lbs. @ 10 c. 1400

100 boxes Raisins, @ 3 300

Bolt of Acker, Merrill & Co., on our note at ninety days.

To BILLS PAYABLE

" CASH

For above note, 2900

Paid insurance 1/2 % on \$3000 15

CHARLES STETSON

Dr. 4500

To Mdsr. Co. B.

Bold him @ thirty days.

500 hhls. Flour, @ 9 4500

4500

Mdsr. Co. B.

Dr. To SUNDRIES 500

Closed sales in company with Niles & Kinne, of Buffalo, and rendered them an Account Sales.

To STORAGE & ADVER.

" COMMISSION

Our charges 20

" NILES & KINNE

2 1/2 % on \$1500 112 50

" LOSS AND GAIN

Their 1/2 net gain 183 75

Our " 183 75

SUNDRIES

Dr. To MERCHANDISE,

Bold Austin Packard,

20,000 lbs. Bacon, @ 6 c. 1800

1800

CASH

BILLS RECEIVABLE

Received

His note @ thirty days, for balance 1000

59500

59500

JOURNAL DAY BOOK,—SET IV.

NEW YORK, APRIL 9, 1850.

Amounts brought forward		50500	50500
0			
LOGAN, WILSON & Co.	Dr.	4136 25	
	To BILLS PAYABLE		4136 25
Accepted their draft on us @ thirty days sight, favor Geo. K. Chase & Co. in full of their %.			
"			
MDSE. Co. C.	Dr.	8700	
	To SUNDRIES		
Received per Merchants' Line, from Pliny Moore, Troy, to be sold on joint % of himself, S. G. Payn, Albany, and ourselves, each $\frac{1}{3}$, as per contract,			
1000 bbls. Flour, @ \$8 50 . . . \$8500			
To PLINY MOORE	For his and our $\frac{1}{3}$ above invoice		5666 67
" S. G. PAYN	" $\frac{1}{3}$ " " "		2833 33
" CASH	Paid Freight		200
12			
STEAMER EMPIRE STOCK	Dr.		
	To SUNDRIES		
Bo't of Daniel Drow, $\frac{1}{2}$ Steamer Empire, for			
To CASH	Paid in hand	10000	5000
" BILLS PAYABLE	Gave out note @ ninety days, for . . .		5000
13			
SUNDRIES	Dr.		
	To MDSE. Co. C.		
Sold Warren P. Spencer, Buffalo,			
1000 bbls Flour, @ \$10			
BILLS RECEIVABLE	His note @ forty days, for	7000	10000
CASH	For Balance	3000	
"			
MDSE Co. C.	Dr.	1300	
	To SUNDRIES		
Closed sales in company with Moore & Payn, and rendered them each an Account of the same.			
To STORAGE & ADVER.	Our charges		30
" COMMISSION	24 % on \$10000		250
" PLINY MOORE	His $\frac{1}{3}$ net gain		340
" S. G. PAYN	" " " "		340
" LOSS AND GAIN	Our "		340
15			
CASH	Dr.	900	
	To MERCHANDISE,		
Sold J. W. Lusk, Cleveland,			
5 casks Brandy, 500 gals., @ \$2			
16			
MERCHANDISE	Dr.		
	To SUNDRIES		
Bo't of Acker, Merrill & Co.			
30 bbls. Sugar, 30,000 lbs., @ 5 c.			
To CASH	Paid in hand	1800	300
ACKER, MER. & Co.	Balance on %		1000
90420 25 90426 25			

JOURNAL DAY BOOK,—SET IV.

NEW YORK, APRIL 18, 1859.

50390

Amounts brought forward 06426 25 06426 25

18

4136 15

SUNDRIES	Dr.	To CASH		200
EXPENSE		Paid Clerk hire to 18th	50	
H. D. STRATTON, Priv.		Paid him on \$	150	

20

SUNDRIES	Dr.	To BILLS RECEIVABLE		1000
		Austin Packard has discounted his note in our favor, due May 18th.		
CASH		Proceeds of note	905 78	
INTEREST		Discount off, 28 days	4 27	

"

5046 07

2833 33

200

NILES & KINNE	Dr.	To LOSS AND GAIN	300	300
		Received an Account Sales of the <i>Libra</i> , sent them to be sold on joint account, on the 7th inst. Our $\frac{1}{2}$ net gain as above.		

21

5000

5000

SUNDRIES	Dr.	To SUNDRIES		
		Shipped S. G. Payn, Albany, to be sold on joint % of S. G. Payn, Pliny Moore of Troy, and ourselves, each $\frac{1}{3}$.		
		20 hhds. Sugar, 80,000 lbs. @ 6 $\frac{1}{2}$ c. \$1000		
		Freight on same	50	
			\$2000	

S. G. PAYN	For his and our $\frac{1}{3}$ above invoice	1333 34	
PLINY MOORE	For his $\frac{1}{3}$	666 66	
To MERCHANDISE	As above		1050
" CASH	Paid Freight		50

25

30

250

340

340

340

H. B. BRYANT, Private	Dr.	To EAST RIVER BANK	200	200
		Drew on private %		

"

900

NILES & KINNE	Dr.	To EAST RIVER BANK	908 75	908 75
		Paid their draft on us favor of R. Courter,		

28

300

1000

06426 25

CASH	Dr.	To STORE AND FIXTURES	1500	1500
		Received rent for upper apartments, to date.		

102505 102505

JOURNAL DAY BOOK,—SET IV.

NEW YORK, APRIL 28, 1850.

Amounts brought forward		103506	103506
38			
STEAMER EMPIRE	Dr.	250	250
To STEAMER EMPIRE STOCK			
For our share of earnings of last trip, as per statement rendered this day.			
39			
CASH	Dr.	150	150
To CASH			
Sundry expenses to date, as per Expense Book.			
80			
LOSS AND GAIN	Dr.	115	115
To H. G. PAYN			
For our & net loss on shipment of Sugar for joint % of Payn, Moore and ourselves, of the 2nd inst., as per Account Sales this day received.			
4			
CASH	Dr.	2098 90	2098 90
To H. B. BRYANT			
Amount invested this day.			
		105807 90	105807 90

NEW YORK, MAY 1, 1850.

MOORE Co. D.	Dr. To SUNDRIES	1400	
Received from Wm. K. Sadler, Philadelphia, to be sold on our joint % each %.			
100 bbls. Cypres Vinegar, @ \$7		\$ 700	
80 do. Linseed Oil, @ \$40		3200	
40 hY bags White Lead, @ \$3		120	
		\$4020	
To Wm. K. SADLER. For our & above invoice			1410
" EAST RIVER BANK Paid freight per check			50
EAST RIVER BANK	Dr.	3500	3500
To CASH			
Deposited.			
		5000	5000

JOURNAL DAY BOOK,—SET IV.

NEW YORK, MAY 2, 1850.

Amounts brought forward		9960	9600
SUNDRIES			
	Dr. To SUNDRIES		
	Shipped R. W. Hoadley, Philadelphia, to be sold		
	on joint %, each \$.		
	300 bbls. Moss Park, @ \$3	\$1800	
	Drayage charges	18	
		\$1818	
7	R. W. HOADLEY		
7	SHIPMENT IN CO. 1	900	
5	To MERCHANTS	900	1800
2	" CASH		18
	Fold drayage		
	CASH		
2	Dr.	750	
7	To MESS. CO. D.		750
	Sold J. R. Higelow,		
	100 bbls. Glaser Vinsgar, @ \$7 50.		
7	INSURANCE		
2	Dr.	37 50	
	To CASH		37 50
	Effectd insurance for \$6000 on any property		
	that may be in our warehouse.		
	HANNA, BRASER & Co.		
7	Dr.	2370	
	To MESS. CO. D.		
	Shipped them to Detroit, as per their order,		
	80 bbls. Linned Oil, @ \$45	2250	
	40 BT bags White Lead, @ \$5	120	
	Payable @ sixty days.		2370
7	MESS. CO. D.		
	Dr. To SUNDRIES	1000	
	Closed sales in company with Wm. K. Sadler,		
	and rendered him an Account Sales,		
2	To CHARGES		
7	" COMMISSION		50
7	" Wm. K. SADLER,		78
1	" Loss & GAIN,		1471
	For his % Invoice \$1410, and net gain \$61		61
	" our % net gain		
	EXPENSES		
2	Dr.	150	
	To EAST RIVER BANK		150
	Paid advertising bills of New York Herald per		
	check.		
	MESS. CO. E.		
2	Dr. To SUNDRIES	2500	
	Received of F. A. Boyte & Co. New Orleans, to		
	be sold on joint % of themselves, Camp-		
	bell & Strong, and overboard, each \$.		
	100 bbls. Sugar @ \$50	\$5000	
2	To F. A. BOYTE & Co. For our % Invoice		2000
2	" EAST RIVER BANK Paid freight per check.		500
		19345 50	19245 50

JOURNAL DAY BOOK,—SET IV.

NEW YORK, MAY 6, 1859.

Amounts brought forward 19245 50 19245 50

Mess. Co. F.	Dr. To SUNDRIES	4000	
	Received from H. D. Van Stichel, St. Louis, to be sold on our joint %, each 1/2, 800 bbds Pork, @ 50 \$4000 320 do Lard, 20,000 lbs., @ 5 c. 3200 \$7200		
To H. D. VAN STICHEL Our 1/2 above invoice			3500
" EAST RIVER BANK Freight per check			500
	8		

SUNDRIES	Dr. To Mess. Co. E.		
	Sold Wm. A. Holley, Fort Edward, 100 bbds Sugar, @ \$75		7500
BILLS RECEIVABLE	Received in payment, Erasmus Corning's note, dated January 1, 1859, due one day after date,	5000	
INTEREST	Due to date on above note	123 47	
CASH,	For balance,	2876 53	

Mess. Co. E.	Dr. To SUNDRIES	5000	
	Closed Mess. Co. E., and rendered Account Sales of the same to F. A. Boyle and Campbell & Strong, New Orleans.		
To CHARGES	Storage, Advertising, etc.		50
COMMISSION	2 1/2 % on \$7500		187 50
F. A. BOYLE	His net proceeds		2254 16
CAMPBELL & STRONG	Their net proceeds		2254 17
LOSS AND GAIN	Our 1/2 net gain		254 17

CASH	Dr.	3300	
	To BILLS RECEIVABLE		3300
	R. Haywood has paid his note, due this day.		
	10		

EAST RIVER BANK	Dr.	4000	
	To CASH		4000
	Deposited,		
	13		

SUNDRIES	Dr. To EAST RIVER BANK	4037 50	
	Paid on mortgage, favor of Wm. B. Astor.		
MORTGAGE PAYABLE	Amount applied on mortgage	4000	
INTEREST	In full to date	137 50	
	13		

BILLS PAYABLE	Dr.	4136 25	
	To EAST RIVER BANK		4136 25
	Paid our acceptance, favor Logan, Wilson & Co., due this day.		

51839 25 51839 25

JOURNAL DAY BOOK,—SET IV.

NEW YORK, MAY 13, 1850.

Amounts brought forward 51850 25 51850 25

HOPK & Co. Dr. 3000
To BILLS PAYABLE 3900

Accepted their draft on us payable @ ten days
eight.

CASH Dr. 4750
To MUSE Co. F.

Sold E. A. Charlton,
500 bbls. Pork, @ \$9.50

4750

HANNA, BEASER & Co. Dr. 275

To LOSS AND GAIN

275

Received advice from H. B. & Co., Detroit, of
an error in an Account Sales of last
year's business, in which we were credit-
ed too little by the above amount.

SUNDRIES Dr. To HANNA, BEASER & Co. 2045

Sold our draft on them @ thirty days sight.

CASH Net proceeds 2000 05

INTEREST Allowance and Exchange on 44 05

CASH Dr. 2000

To MUSE Co. F.

2000

Sold 1000 lbs. Woolen

at 20 cts. per lb., balance 100 lbs. @ 4 c.

SUNDRIES Dr. To SUNDRIES

Closed "MUSE Co. F." and transferred to Van
Syckel, St. Louis, an Account Sales of
the same.

MUSE Co. F. To close % 2750

LOSS AND GAIN Our % net loss 484 37

To CHARGES Storage, Cooperage, etc. 50

" COMMISSION 2% on sales 108 75

" H. D. VAN SYCKEL His % Invoice (3510)

Loss % net loss 484 37

3015 62

Leaves net proceeds

H. D. VAN SYCKEL Dr. 6515 62

To CASH

6515 62

Remitted him in full of

CASH Dr. 7000

To BILLS RECEIVABLE

7000

Received payment in full for W. P. Van Syckel's note
of the 13th April.

82150 24 82150 24

JOURNAL DAY BOOK,—SET IV.

NEW YORK, MAY 20, 1859.

Amounts brought forward		82150 34	82150 34
2	EAST RIVER BANK	Dr.	10000
2		To CASH	10000
	Deposited.		
	25		
7	R. W. HOADLEY	Dr.	800
7		To SHIPMENT IN Co. 1	800
	Received an Account Sales of 200 bbls. Mole Fork, shipped him on the 5d inst. Our net proceeds as above.		
	26		
7	WM. K. SADLER	Dr.	2881
7		To BILLS PAYABLE	2881
	Received his draft on us (a thirty days sight, of B. McGinnis, for amount his due.		
	27		
5	BILLS PAYABLE	Dr.	3000
2		To CASH	3000
	Paid our acceptance favor of Hope & Co., due this day.		
	28		
2	CASH	Dr.	4500
6		To CHARLES STETSON	4500
	To Balance %.		
	30		
1	ACKER, MERRALL & Co.	Dr.	1000
2		To CASH	1000
	To Balance %.		
	31		
1	H. B. BRVANT	Dr.	900
2		To H. B. BRVANT, Private	900
	For amount charged to H. B. B.'s private account, now carried to his Stock ac- count.		
	"		
1	H. D. STRATTON	Dr.	150
6		To H. D. STRATTON, Private	150
	For amount charged to Private account, now carried to Stock account.		
	"		
1	INTEREST	Dr.	15 08
	To H. B. BRVANT		15 08
	Allowed 7 % on his additional investment of April 20.		
		105605 92	105605 92

JOURNAL DAY BOOK SET IV.

NEW YORK, MAY 1869.

CLOSING ENTRIES.

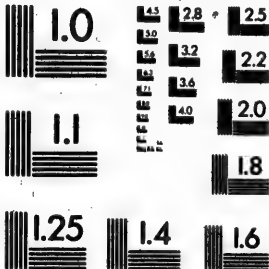
BALANCE	Dr.	15000	
	To STORE AND FIXTURES		15000
	Valuation of property.		
STORE AND FIXTURES	Dr.	2500	
	To LOSS AND GAIN		2500
	For increase in value of property.		
MORTGAGE PAYABLE	Dr.	4500	
	To BALANCE		4500
	Amount due on mortgage.		
BALANCE	Dr.	4575 00	
	To CASH		4575 00
	Amount on hand.		
BALANCE	Dr.	21337 50	
	To EAST RIVER BANK		21337 50
	Balance on deposit.		
INTEREST	Dr.	18 37	
	To BALANCE		18 37
	Amount due from us to date on mortgage.		
BALANCE	Dr.	146 62	
	To INTEREST		146 62
	Amount due us to date on E. Corning's note.		
LOSS AND GAIN	Dr.	213 15	
	To INTEREST		213 15
	Cost over proceeds of interest.		
LOSS AND GAIN	Dr.	150	
	To EXPENSE		150
	Balance of Expense account.		
BALANCE	Dr.	5000	
	To BILLS RECEIVABLE		5000
	Note on hand, (E. Corning's).		
COMMISSION	Dr.	434 25	
	To LOSS AND GAIN		434 25
	Gain on Commission.		
BILLS PAYABLE	Dr.	10781	
	To BALANCE		10781
	Our outstanding notes.		
		64656 18	64656 18





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Rochester, New York 14609 USA
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(716) 288-5989 - Fax

JOURNAL DAY BOOK,—SET IV.

NEW YORK, MAY 31, 1859.

	Amount brought forward	64656 18	64656 18
PLINY MOORE	Dr.	5340 01	
	To BALANCE		5340 01
	Amount due him,		
S. G. PAYN	Dr.	1954 99	
	To BALANCE		1954 99
	Amount due him,		
BALANCE	Dr.	10000	
	To STEAMER EMPIRE STOCK		10000
	Valuation of our interest in Steamer Empire.		
	"		
BALANCE	Dr.	250	
	To STEAMER EMPIRE		250
	Amount due us,		
	"		
BALANCE	Dr.	1709	
	To R. W. HOADLEY		1709
	Balance due us,		
	"		
LOSS AND GAIN	Dr.	109	
	To SHIPMENT IN CO. 1		109
	Our loss on shipment,		
	"		
LOSS AND GAIN	Dr.	37 50	
	To INSURANCE		37 50
	Cost of insurance,		
	"		
CHARGES	Dr.	150	
	To LOSS AND GAIN		150
	Gain on storage, advertising, etc.		
	"		
F. A. BOYLE & Co.	Dr.	4254 16	
	To BALANCE		4254 16
	Amount due them,		
	"		
CAMPBELL & STRONG	Dr.	2254 17	
	To BALANCE		2254 17
	Amount due them,		
	"		
LOSS AND GAIN	Dr. To SUNDRIES	2680 40	
	Net gain carried to Partners' %.		
To H. B. BRYANT	His $\frac{1}{2}$ net gain		1340 20
" H. D. STRATTON	" " "		1340 20
	" " "		
H. B. BRYANT	Dr.	15785 14	
	To BALANCE		15785 14
	For amount his net capital.		
	"		
H. D. STRATTON	Dr.	13130 57	
	To BALANCE		13130 57
	For amount his net capital.		
	"		
		122311 12	122311 12

LEDGER,—SET IV.

Dr.

H. B. Bryant.

Cr.

				1859							
				Apr.	1	By Cash	1	10000			
					30	"	8	2688 90			
					30	Loss and Gain	14	1940 36			
14629 26								14629 26			
May	31	To H. B. B. private	9	200	May	1	By Balance	11	14629 26		
"	31	Balance	11	16785 14	"	31	Interest	9	18 08		
							"	31	Loss and Gain	11	1340 20
15985 14								15985 14			

LEDGER,—SET IV.

Dr.				Cash.				Cr.			
1859				1859							
Apr.	1	To H. B. Bryant	1	10000	Apr.	3	By Store and Fixtures	1	3416		
"	5	Mdse. Co. A.	1	1400	"	"	Expense	1	75		
"	9	Mdse.	2	800	"	4	Mdse Co. A.	1	100		
"	13	Mdse. Co. C.	3	3000	"	7	Niles & Kinne	2	15		
"	15	Mdse.	3	900	"	9	Mdse. Co. C.	3	200		
"	20	Bills Receivable	4	995 73	"	12	Steamer Empire Stock	3	5000		
"	28	Store and Fixtures	4	1500	"	16	Mdse.	3	800		
"	30	H. B. Bryant	5	2688 90	"	18	Sundries	4	200		
					"	22	"	4	50		
					"	29	Expense	5	159		
				21284 63					21284 63		
May	1	To Balance	12	11269 63	May	1	By East River Bank	5	8500		
"	3	Mdse. Co. D.	6	750	"	2	Sundries	6	18		
"	8	Mdse. Co. E.	7	2376 53	"	5	Insurance	6	37 50		
"	9	Bills Receivable	7	8300	"	10	East River Bank	7	4000		
"	14	Mdse. Co. F.	8	4750	"	17	H. D. Van Syckel	8	6515 62		
"	15	Hanna, Beaser & Co.	8	2600 05	"	23	East River Bank	9	10000		
"	17	Mdse. Co. F.	8	2000	"	27	Bills Payable	9	3000		
"	17	Bills Receivable	8	7000	"	30	Acker, Merrill & Co.	9	1000		
"	27	Chas. Stetson	9	4500	"	31	Balance	10	4575 09		
				38546 21					38546 21		

Dr.		East River Bank.		Cr.			
1859		1859					
Apr.	1 To H. D. Stratton	1	10000	Apr.	25 By H. B. Bryant	4	200
				"	Niles & Kinne	4	968 75
							10000 00
			10000				
May	1 To Balance	12	8831 25	May	1 By Mdse Co. D.	5	50
"	1 Cash	5	8500	"	5 Expense	6	150
"	10 "	7	4000	"	6 Mdse. Co. E.	6	500
"	25 "	9	10000	"	7 Mdse. Co. F.	7	500
				"	12 Sundries	7	4657 50
				"	13 Bills Payable	7	4136 25
				"	31 Balance	10	21327 60
			31331 25				31331 25

LEDGER,—SET IV.

Cr.

8416
75
100
15
200
5000
800
200
50
159
41284 68

8500
18
37 50
4000
6515 62
10000
3000
1000
4575 09
85646 21

Cr.

200
908 75
LARI 70
0000 00
50
150
500
500
4657 50
4136 25
1337 50
1331 25

Dr.

1859
Apr. 20 To Bills Receivable

4

Interest.

4 27

Cr.

1859
Apr. 8 By Store and Fixtures

1

84

84

84

May 8 To Mdee. Co. E.
" 12 East River Bank
" 6 Hanna, B. & Co.
" 31 H. B. Bryant
" 31 Balance

7

123 47

7

157 50

8

44 95

9

15 68

10

18 37

May 31 By Balance
" " Loss and Gain

10

146 92

10

243 18

859 97

859 97

Dr.

1859
Apr. 8 To Cash
" 18 "
" 29 "

1

75

4

50

5

159

284

Expense.

Cr.

1859

May 31 By Loss and Gain

1

159

284

May 5 To East River Bank

9

150

Niles & Kinne.

Dr.

1859
Apr. 6 To Sundries
" 20 Loss and Gain
" 25 East River Bank

2

2915

4

300

4

968 75

4183 75

Cr.

1859
Apr. 4 By Mdee. Co. B.
" 8 " "

2

4000

3

183 75

4183 75

Dr.

1859
Apr. 3 To Sundries
" 16 "
" " Loss and Gain

1

3900

3

1800

1

2

6450

Merchandise.

Cr.

1859
Apr. 9 By Sundries
" 15 Cash
" 22 Sundries

2

1800

3

900

4

1950

6450

May 1 To Balance

1800

May 2 By Sundries

6

1800

LEDGER,—SET IV.

Dr.		Loss and Gain.		Cr.	
1859			1859		
Apr. 30	To S. G. Paya	5 116	Apr. 6	By Mdse. Co. A.	2 836 25
" "	Expense	1.8 284	" 8	Mdse. Co. B.	2 183 75
			" 13	Mdse. Co. C.	8 840
			" 20	Niles & Kinne	4 800
			" 30	Store and Fixtures	1.1 1500
			" "	Interest	1.3 79 73
			" "	Mdse.	1.3 750
			" "	Storage and Adver.	1.5 60
			" "	Commission	1.5 480
			" "	Steamer Empire Stock	1.6 250
		4279 73			4279 73
May 17	To Mdse. Co. F.	12 484 37	May 8	By Mdse. Co. D.	6 61
" 31	Interest	10 213 15	" 8	Mdse. Co. E.	7 234 17
" "	Expense	10 150	" 15	Hanna, Beaser & Co.	8 275
" "	Shipment in Co. 1	11 109	" 31	Store and Fixtures	10 2500
" "	Insurance	11 37 50	" "	Commission	10 434 25
" "	Sundries	11 2680 40	" "	Charges	11 157
		3674 43			3674 43

Dr.		Hope & Co.		Cr.	
1859			1859		
May 13	To Bills Payable	8 3900	Apr. 3	By Mdse.	1 3900

Dr.		Mdse. Co. A.		Cr.	
1859			1859		
Apr. 4	To Sundries	2 3900	Apr. 5	By Cash	1 1400
" 6	"	2 800	" 6	Bills Receivable	2 3300
		4700			4700

Dr.		Logan, Wilson & Co.		Cr.	
1859			1859		
Apr. 9	To Bills Payable	8 4136 25	Apr. 4	By Mdse. Co. A.	1 3800
			" 6	" " "	2 336 25
		4136 25			4136 25

LEDGER,—SET IV.

Cr.

836 25
183 75
840
300
1500
79 73
750
80
480
250

4279 73

61
254 17
275
2500
434 25
159

8674 43

Cr.

8900

Cr.

1400
8300

4700

Cr.

8900
836 25
4136 25

Dr.

1859
Apr. 4 To Miles & Kline
" 8 Sundries

Mdse. Co. B.

1 4000
2 500
1000

Cr.

1859
Apr. 8 By Chas. Stetson 2 4500
4509

Dr.

1859
Apr. 5 To Mdse. Co. A. 2 3300
" 9 Mdse. 2 1000
" 13 Mdse. Co. C. 8 7000

Bills Receivable.

11300

Cr.

1859
Apr. 20. By Sundries 4 1000
11300
May 9 By Cash 7 8300
" 23 8 7000
" 31 Balance 5000
15300

May 1 Balance 15 10300
" 8 Mdse. Co. E. 7 5000
15300

Dr.

Storage and Advertising.

Cr.

1859
Apr. 6 By Mdse. Co. A. 2 10
" 8 Mdse. Co. B. 2 20
" 13 Mdse. Co. C. 8 80
80

Dr.

Commission.

Cr.

1859
Apr. 6 By Mdse. Co. A. 2 117 50
" 8 Mdse. Co. B. 2 112 50
" 14 Mdse. Co. C. 3 250
480

May 31 Loss and Gain 434 25
434 25

May 3 By Mdse. Co. D. 6 78
" 8 Mdse. Co. E. 7 187 50
" 17 Mdse. Co. F. 8 168 75
434 25

Dr.

Bills Payable.

Cr.

1859
Apr. 6 By Niles & Kinne 2 2800
" 9 Logan, Wilson & Co. 3 4136 25
" 13 Steamer Empire Stk. 8 5000
12036 25
May 13 To East River Bank 11 4136 25
" 27 Cash 14 3900
" 31 Balance 10781
18817 25

May 1 By Balance 15 12036 25
" 13 Hope & Co. 8 3900
" 26 Wm. K. Sadler 9 2881
18817 25

LEDGER,—SET IV.

Dr.

Charles Stetson.

Cr.

1859
Apr. 8 To Mdsa. Co. B.

3 4500

1859
May 28 By Cash

3 4500

Dr.

Mdse. Co. C.

Cr.

1859
Apr. 10 To Sundries
" 13 "

3 8700
3 1300
10000

1859
Apr. 13 By Sundries

3 10000
10000

Dr.

Pliny Moore.

Cr.

1859
Apr. 29 To Sundries
" " " "

4 666 66
6008 67
5340 01

1859
Apr. 10 By Mdse. Co. C.
" 14 " " "

3 6666 67
3 340
6008 67
16 5340 01

May 31 To Balance

May 1 By Balance

Dr.

S. G. Payn.

Cr.

1859
Apr. 22 To Sundries
" " " "

4 1333 34
1974 29
3288 33
15 1954 99

1859
Apr. 10 By Mdse. Co. C.
" 14 " " "
" 30 Loss and Gain

3 2833 33
3 340
5 115
3288 33
28 1954 99

May 31 To Balance

May 1 By Balance

Dr.

Steamer Empire Stock.

Cr.

1859
Apr. 12 To Sundries
" " " "

3 10000
10250
10000

1859
Apr. 28 By Steamer Empire

6 250
10250
13 10000

May 31 To Balance

May 31 By Balance

Dr.

Acker, Merrill & Co.

Cr.

1859
May 30 To Cash

9 1000

1859
Apr. 16 By Mdse.

3 1000

Dr.

H. D. Stratton—PRIVATE.

Cr.

1859
Apr. 18 To Cash

4 150

1859
May 31 By H. D. S. Stock

9 150

LEDGER,—SET IV.

Cr.

4500

Cr.

10000

10000

Cr.

5666 67

340

6006 67

5340 01

Cr.

2833 33

340

115

3288 33

1954 99

Cr.

250

10250

10000

Cr.

10000

Cr.

150

Dr.

H. B. Bryant—PRIVATE.

Cr.

1859

Apr 25

To East River Bank

4

200

1859

May 31

By H. B. B. Stock

9

200

Dr.

Steamer Empire.

Cr.

1859

Apr 28

To Steamer Empire Stk.

5

250

1859

May 31

By Balance

11

250

Dr.

Mdse. Co. D.

Cr.

1859

May 1

To Sundries

5

1440

1859

May 3

By Cash

6

750

" 4

"

6

1662

" 4

Hanna, B. & Co.

6

2370

3120

3120

Dr.

Wm. K. Sadler.

Cr.

1859

May 26

To Bills Payable

9

2881

1859

May 1

By Mdse. Co. D.

5

1410

2881

" 4

" " "

6

1471

2881

Dr.

R. W. Hoadley.

Cr.

1859

May 2

To Sundries

6

909

1859

May 31

By Balance

11

1709

" 25

Shipment in Co. 1

6

809

1709

1709

Dr.

Shipment in Co. 1.

Cr.

1859

May 2

To Sundries

6

909

1859

May 25

By R. W. Hoadley

9

809

" 31

Loss and Gain

11

109

909

909

Dr.

Insurance.

Cr.

1859

May 8

To Cash

6

37 50

1859

May 31

By Loss and Gain

11

37 50

Dr.

Hanna, Beaser & Co.

Cr.

1859

May 4

To Mdse. Co. D.

6

2370

1859

May 15

By Sundries

8

2445

" 15

Loss and Gain

8

275

2645

2645

LEDGER,—SET IV.

Dr.	Charges.	Cr.
1859 May 31 To Loss and Gain	11 180	1859 May 4 By Mdse. Co. D. 6 53 " 8 Mdse. Co. E. 7 50 " 18 Mdse. Co. F. 8 50
	180	150

Dr.	Mdse. Co. E.	Cr.
1859 May 6 To Sundries 6 2500 " 8 " 7 5000	7800	1859 May 6 By Sundries 7 7800
		1500

Dr.	F. A. Boyle & Co.	Cr.
1859 May 31 To Balance	11 4254 16	1859 May 6 By Mdse. Co. E. 6 2000 " 8 " " " 7 2254 16
	4254 16	4254 16

Dr.	Mdse Co. F.	Cr.
1859 May 7 To Sundries 7 4000 " 18 " 8 2750	6750	1859 May 15 By Cash 8 4750 " 18 " 8 2000
		6750

Dr.	H. D. Van Syckel.	Cr.
1859 May 17 To Cash 8 6515 62	6515 62	1859 May 7 By Mdse. Co. F. 7 3500 " 18 " " " 8 3015 62
		6515 62

Dr.	Campbell & Strong.	Cr.
1859 May 31 To Balance 16 2254 17		1859 May 8 By Mdse. Co. E. 7 2254 17

Dr.	Balance.	Cr.
1859 May 31 To Store and Fixtures 10 15000 " " Cash 10 4575 09 " " East River Bank 10 21337 50 " " Interest Receivable 10 146 82 " " Bills Receivable 10 5000 " " Steamer Empire Stk. 11 10000 " " Steamer Empire 11 250 " " R. W. Hoadley 11 1709	58018 41	1859 May 31 By Mortgage Payable 10 4500 " " Interest Payable 10 18 87 " " Bills Payable 10 10781 " " Pliny Moore 11 5340 01 " " S. G. Payn 11 1954 99 " " F. A. Boyle 11 4254 16 " " Campbell & Strong 11 2254 17 " " H. B. Bryant 15785 14 " " H. D. Stratton 18130 57
		58018 41

TRIAL BALANCE—INVENTORY.

Trial Balance—April

Cr.				Trial Balance—April					
<i>Balance.</i>	<i>Total Footings.</i>					<i>Total Footings.</i>	<i>Balance.</i>		
89				H. B. Bryant (Stock)		12688	00	12688	00
80				H. D. Stratton (Stock)		10000		10000	
80				Store and Fixtures		1500			
150		11000	12500	Mortgage Payable		9000		9000	
				Cash		10015			
		11269	63	East River Bank		1108	75		
		8831	25	Interest		84		79	79
				Expense					
		284	284	Niles & Kinne		4183	75		
				Merchandise		4050			
		1050	5700	Loss and Gain		1100		1045	
				Hope & Co.		3900		3900	
				Mdse. Co. A.		4700			
				Logan, Wilson & Co.		4136	25		
				Mdse. Co. B.		4500			
		10300	11300	Bills Receivable		1000			
				Storage and Advertising		60		60	
				Commission		480		480	
				Bills Payable		12036	25	12036	25
		4530	4500	Charles Stetson					
				Mdse. Co. C.		10000			
				Pliny Moore		6006	67	5340	01
				S. G. Payn		3288	33	1954	99
		9750	10000	Steamer Empire Stock		250			
				Acker, Merrill & Co.		1000		1000	
				H. D. Stratton (Private)					
		150	150	H. B. Bryant (Private)					
		200	200	Steamer Empire					
		250	250						
		57584	88	105807	90	105807	90	57584	88

INVENTORY.

Property Unsold April 30.

Store and Fixtures, valued at cost	12500
Mdse. on hand	1800
Steamer Empire Stock, at cost.	10000

TRIAL BALANCE-INVENTORY.

Trial Balance—May.

Balances.	Footings.*		Footings.	Balances.
	200	H. B. Bryant	14044 04	14444 04
	150	H. D. Stratton	11010 37	11700 37
12500	12500	Store and Fixtures		
	4500	Mortgage Payable	0000	4500
4575 00	38540 21	Cash	33071 12	
21337 50	31331 25	East River Bank	0093 75	
341 00	341 00	Interest		
150	150	Expense		
	484 37	Loss and Gain	500 17	105 80
5000	15300	Bills Receivable	10300	
	8036 25	Commission	434 25	434 25
		Bills Payable	18817 25	10781
250	250	Pliny Moore	5340 01	5340 01
1709	1709	Steamer Empire		
109	900	R. W. Hoadley		
37 50	37 50	Shipment in Co. 1	800	
		Insurance		
		Charges	150	150
		F. A. Boyle	4254 16	4254 16
		Campbell & Strong	2254 17	2254 17
		S. G. Payn	1054 99	1054 99
10000	10000	Steamer Empire Stock		
50009 00	124445 18		124445 18	50009 00

INVENTORY.

Resources and Liabilities not shown in Ledger Accounts.

Store and Fixtures, valued at	15000
Steamer Empire Stock	10000
Interest due us on Notes	\$140.82
Less, interest due from us	18.37
	129 45

* The amounts in this column do not comprise, like those in the preceding balances, the footings of the Ledger accounts, but such only as do not balance or cancel. The footings of this column and its opposite will not, therefore, tally with the footings of the Journal, as has been the case with the Trial Balances heretofore. The method here adopted is the one most in use with accountants, but does not afford so sure a test of the correctness of the Ledger.

BALANCE SHEETS

BALANCE SHEETS.

We give on the following pages two of the most condensed and perfect forms of statement known, the first representing the business of a single proprietor, as exhibited in Set I, and the second showing the result of the partnership business of Set IV. The symmetry of these Balance Sheets will commend them to the favor of all systematic accountants, while the fullness of their illustrations must satisfy all interested parties. This form of statement has been used, with more or less variation, for the last twenty years, but has never been adopted to any great extent by business houses; the chief objection being its inadequacy to contain long lists of personal accounts. This objection can be overcome, in all cases where the general result alone is wanted, by using, instead of the persons' names, the general titles,—“Accounts Receivable,” and “Accounts Payable.” In most kinds of business this will reduce the number of accounts within the limits of this form.

A degree of ingenuity, and some patience, are necessary in preparing these Balance Sheets; but a little practice will overcome all such obstacles. The following brief explanation will enable the student to prepare this form.

Get a sheet of paper of the proper size, and for a border rule double red lines around the margin.*

First, rule the parallel head-lines, leaving proper space for the double captions, as in the example. Next, ascertain the number of Ledger accounts to be represented. This will, of course, embrace all the accounts in the Trial Balance that do not cancel. If the business is that of a single proprietor, usually called “Stock business,” rule, in pencil, as many lines as will contain all the accounts, and *five* additional. If it be a partnership business, with two or more partners, rule three additional lines for each partner. Thus: for “Stock” business *five* lines more than all the accounts; for two partners, *eight* lines more than all the accounts; for three partners, *eleven* lines more, and so on.

Next, lay off proper spaces for debit and credit money columns; first, for the footings of Ledger accounts, second, for Gains and Losses, third, for Stock—or if partners, for each partner—and fourth, for Resources and Liabilities; also, for a single money column for Inventories, and for the Ledger titles and their Ledger folios. The position of these columns you will see in the example given. These spaces can best be appropriated by using a pair of dividers, and giving each of the captions its just proportion.

After denoting the proper space for each heading—which can best be done with pencil—commence to rule in red ink at the right hand, and bring all the lines of the first two captions—Real Accounts and Stock, or one of the partners—down to the lower pencil line. For the other partner drop two lines. For Losses and Gains drop two lines for Stock business, and an additional line for each partner.

Next, rule the foot-lines as shown, and the schedule will be ready to receive the accounts.

The process of showing results is precisely similar in its order, and the results the same as in “closing the Ledger,” and will need no explanation aside from the example given.

As this form of statement, neatly done, will always challenge the admiration of a systematic business man, no student should permit himself to pass over it without fastening all its peculiarities indelibly upon his mind; and as no one qualification is more essential to the proper appearance of a Set of Books or a Business Statement than clean ruling, the student can hardly choose a better exercise than that of preparing these Balance Sheets.

* The border may be made either plain or ornamental, as best suits the taste of the accountant; but we would recommend in this, as well as all business statements, the utmost neatness, and the avoidance of that kind of affectation or display vulgarly known as “gingerbread work.”

H. B. BRYANT'S BALANCE SHEET,—SET I.*

Taken January 31, 1890.		L. Folio.		TRIAL BALANCE.		Inventory.		REPRESENTATIVE.		STOCK.		REAL.	
				Dr.	Cr.			Loss.	Gain.	Dr.	Cr.	Revenues.	Liabilities.
Stock . . .				500	5000	...	...	...	...	...	...	4429 75	...
Cash . . .				4513 75	3084 95	...	...	...	...	...	...	1233 50	...
Merchandise . . .				5731	1708 90	1523 50	...	...	...	...	...	30	1325
H. D. Stratton . . .				40	90	...	...	...	...	...	...	57	50
Bills Payable . . .				500	1735	...	...	...	...	...	...	115	...
Bills Receivable . . .				57 50	...	...	...	...	...	...	...	...	94
Expenses . . .				184	...	...	...	...	...	...	...	...	...
E. D. F. from . . .				115	94	...	...	...	...	...	...	...	...
J. D. Comstock . . .				...	...	...	...	...	...	...	...	...	...
				10641 95	10641 95	...	...	124 75	...	...	134 75	...	...
								808 75	308 75	4224 75	...	...	4694 75
										4694 75	4694 75	5055 75	5055 75

To Stock—net gain....

To Balance—set capital....

* The Trial Balance from which this Statement is made will be found on Page 27.

BRYANT & STRATTON'S BALANCE SHEET,--SET IV.

[illegible]

AUXILIARIES.

AUXILIARIES TO SET IV.

We give herewith a few of the auxiliary books and documents which would be proper in connection with the transactions of Set IV.

We have already remarked that "the number and character of auxiliary books depend upon the nature and extent of the business, and the amount and kind of information desired;" we might have added, and upon the taste and ingenuity of the accountant. Perhaps there is no way in which a business man can more satisfactorily exhibit the lucidness of his own thoughts than by such methodical arrangement of the separate facts embraced in his transactions as are afforded in auxiliary forms. The only objection that can properly be urged against a multiplicity of auxiliary books is the additional labor required; and in large establishments even this objection is removed by the use of special books and forms containing characteristic portions of original entries; thus, all transactions involving the receipt or disbursement of cash are entered alone in the Cash Book, and posted from that book directly to the Ledger. In the same manner, all sales of merchandise are first entered and posted from the Sales Book, etc. This method we shall hereafter briefly illustrate.

We have already given, in connection with the preceding Set, (III.), one form of a Commission Sales Book. It is the form commonly in use, and is happily suggestive of the nature of the business. In this connection we give a different form, discarding the special columns for quantities of merchandise. The business also differs, the sales in this case being on joint account of the commission merchant and the consignor, and the net proceeds, shown both in the Sales Book and the Account Sales are made to correspond therewith.

We also give a brief exposition of the books containing our Bank Account, and the usual method of showing, perpetually, the balance on deposit. These books are too simple to need much explanation.

The letters and notes are not submitted as absolute models in their way. It would, in fact, be as difficult to afford a model of a business letter—one, we mean, which it would be proper for every one to copy—as it would for an artist to produce a cast of features that everybody would consider perfect. And that class of humane authors who aim to bless the world by doing all the *thinking*, as well as *talking*, for their generation, furnishing to hand "ready letter writers," apt "poetical quotations," and "rhyming dictionaries," should find little favor with persons competent to think for themselves.

To be able to write a good business letter is no small accomplishment, nor can it be acquired by studying models, although much aid may be secured in this way, pertaining to form, arrangement, and even style, if undertaken with no undue surrender of individuality; for a good business letter should be neither more nor less than the transcript of a man's thoughts, or what he would say were he to speak with care and deliberation. Now, as no two men ever think or talk exactly alike, so no two could be expected to write alike. Hundreds of men, doing business for years with each other, enjoy the most intimate and satisfactory acquaintance and pass through their correspondence alone; having, it is possible, never met face to face, they, nevertheless, learn each other's peculiarities with as much certainty as if reared in the same family. All proper business letters, therefore, will differ in their general aspect, form, tone, and construction, as their authors differ in those characteristics which mark their individuality.

While all this is emphatically true, there are certain qualifications in business letters which are equally essential to all, and with reference to which, general instructions may be given.

We will enumerate a few of these points:

First. A business letter, like all other documents in manuscript, should be, *chirographically, well written.* We have no particular reference to any "System of Penmanship," meaning,

AUXILIARIES.

rather, by a "well written" document, one which, in its general appearance, as well as upon closer inspection, will at once commend itself to the reader. Neatness and legibility are the chief requisites in a hand-writing.

Second. The grammatical construction should be faultless; and, above all, no document should be *disfigured* with misspelled words.

Third. The subject matter should be immediately apparent, stated without circumlocution, and in terms not to be misconstrued. One important characteristic in a business document is *brevity*; but brevity should never be secured at the cost of perspicuity. The briefest are sometimes the most unsatisfactory of communications, and an affectation of brevity is as reprehensible as an unnecessary display of words. The rule on this point should be, to speak plainly and directly upon the topics discussed, avoiding unnecessary repetitions, and leaving no part of the instruction or information to be guessed at or inferred.

There are other points which we might enumerate, but they are all subordinate to the three above-named; besides, there is little fear that any one will be proficient in these, and deficient in the others.

We cannot too strongly urge upon young men looking forward to a life of usefulness and honor, the importance of this department of their education, as there is no qualification which will more surely commend one to the favor of an employer than proficiency in Business Correspondence.

It is scarcely possible, in a treatise of these dimensions, to give, in detail, all the documents and forms which would enter into actual transactions such as are here recorded. We have supplied this necessity in a measure in the latter part of the work, but have not attempted a complete list. The forms of Deeds, Bonds, Mortgages, etc., vary in the different states; the printed blanks of which can be procured at any ordinary book or stationery establishment. The forms of Notes, Drafts, Receipts, etc., will be found on page 118.

It should not be taken for granted that any of the forms here introduced are the best that could be invented. They will certainly answer the purpose, and, in the absence of better, will do to adopt; but we would advise every intelligent accountant to learn to *depend upon himself*, and to ascertain and administer to his own wants. One of the most common objections urged against works on Book-keeping and Commercial Schools, is that the forms and illustrations thus inculcated are inefficient, from the fact that no two business houses use the same forms. If this argument proves any thing, it proves too much, as it would also render futile, knowledge acquired in the *counting-room*, as well as in the school-room, and the private studio. The fact is, different *forms* are but the different methods of expressing the same great truths, and are to be estimated according to the degree of explicitness with which they announce these truths.

An accountant, possessed of the least originality or energy, will be better able to proscribe his own forms than any person unacquainted with all the details of his particular business, however well versed in any other speciality of the science.

COMMISSION

Mdse. Co. A.

1859	Apr.	3	To Logan, Wilson & Co.	Received from L. W. & Co., Pittsburgh, to be sold on our joint % and risk each $\frac{1}{2}$			
				800 kegs Nails, @ \$3	\$2400		
				20,000 lbs. Lead, @ 7 c.	1400		
			" Cash	Paid freight		3800	
		6	" Storage and Adver.	Our charges		100	
			" Commission	2 $\frac{1}{2}$ % on \$4700		10	
			" Logan, Wilson & Co.	Their $\frac{1}{2}$ net gain		117	50
			" Loss and Gain	Our " " "		336	25
						336	25
						4700	
				Account Sales rendered April 6.			
				L. W. & Co.'s net proceeds, \$4186.25. Due May. 2.			

Errors excepted.

Mdse. Co. B.

1859	Apr.	4	To Niles & Kinne	Received from N. & K., Buffalo, to be sold on our joint % and risk, each $\frac{1}{2}$			
				500 bbls. Flour, @ \$8	4000		
		8	" Storage and Adver.	Our charges		20	
			" Commission	2 $\frac{1}{2}$ % on \$4500		112	50
			" Niles & Kinne	Their $\frac{1}{2}$ net gain		183	75
			" Loss and Gain	Our " " "		183	75
						4500	
				Account Sales rendered April 8.			
				N. & K.'s net proceeds, \$4183.75. Due May 6			

Errors excepted.

Mdse. Co. C.

1859	Apr.	10	To Pliny Moore	Received per Merchants' Line, from Pliny Moore, Troy, to be sold on joint % of himself, S. G. Payn, Albany, and ourselves, each $\frac{1}{2}$			
				1000 bbls. Flour, @ \$8.50	\$8500		
			" S. G. Payn	P. Moore and our $\frac{1}{2}$ invoice furnished by him	5606	67	
		13	" Cash	His $\frac{1}{2}$ invoice as above	2833	33	
			" Storage and Adver.	Paid Freight	200		
			" Commission	Our charges	30		
			" Pliny Moore	2 $\frac{1}{2}$ % on \$1000	250		
			" S. G. Payn	His $\frac{1}{2}$ net gain	340		
			" Loss and Gain	His " " "	340		
				Our " " "	340		
					10000		
				Account Sales rendered April 13.			
				P. Moore's net proceeds	\$6006.67		
				S. G. Payn's " "	3173.33		
				Due May 14.			

Errors excepted.

SALES BOOK.

Sales.

1859	5	By Cash	Sold Wm. H. Woodbury, 400 kegs Nails @ \$3.50	1400
Apr.	6	" Bills Receivable	Sold Robert Haywood, on his note @ thirty days, 20,000 lbs. Lead, @ 9 a. \$1800 400 kegs Nails, @ \$3.75 1500	3300
				4700

Sales.

1859	8	By Charles Stetson	Sold him, @ thirty days, on %, 500 bbls Flour, @ \$9	4500
				4500

Sales.

1859	13	By Bills Receivable	Sold Warren P. Spencer, 1000 bbls. Flour, @ \$10.00 \$10,000	7000
Apr.		" Cash	Received his note, @ forty days, for	3000
			Balance in cash	10000

COMMISSION

Mdse. Co. D.

1859 May	1	To Wm. K. Sadler	Received from W. K. S., Philadelphia, to be sold on our joint %, each 1/2,		
			100 bbls. Cider Vinegar, @ \$7. . .	\$700	
			50 do Linseed Oil, @ \$40. . .	2000	
			40 h'l kegs White Lead, @ \$3. . .	120	
			Our 1/2 invoice	\$2820	1410
	3	" East River Bank	Paid freight, per check		50
		" Charges	Storage, advertising and insurance		50
		" Commission	2 1/2 % on \$3120		79
		" Wm. K. Sadler	His 1/2 invoice, \$1410, and net gain, \$61		1471
		" Loss and Gain	Our 1/2 net gain		61
					3120
			Account Sales rendered May 3d.		
			W. K. S.'s net proceeds, \$1471.		
			Due by equation, June 20.		

Mdse. Co. E.

1859 May	6	To F. A. Boyle & Co.	Received of F. A. B. & Co., New Orleans, to be sold on joint % of themselves, Campbell & Strong, and ourselves, each 1/2,		
			100 hlds. Sugar, @ \$80	\$8000	
			Our 1/2 above invoice		2000
		" East River Bank	Paid freight per check		500
	8	" Charges	Storage, advertising, etc.,		50
		" Commission	2 1/2 % on \$7500		187
		" F. A. Boyle	His 1/2 invoice \$2000, and net gain \$254.16		2254
		" Campbell & Strong	Their 1/2 invoice \$2000, and net gain \$254.17		2254
		" Loss and Gain	Our 1/2 net gain		254
					7500
			Account Sales rendered May 8.		
			F. A. Boyle & Co.'s net proceeds, \$2254.16.		
			Campbell & Strong's " " 2254.17.		
			Due by equation, May 8.		

Mdse. Co. F.

1859 May	10	To H. D. Van Syckel	Received from H. D. V. S., St. Louis, to be sold on our joint %, each 1/2,		
			500 bbls. Pork, @ \$9	\$4500	
			250 do Lard, 50,000 lbs., @ 5 c.	2500	
			Our 1/2 invoice	\$7000	3500
	14	" East River Bank	Paid freight per check		500
		" Charges	Storage, cooperage, etc.		50
		" Commission	2 1/2 % on \$6750		168
		" H. D. Van Syckel	His 1/2 invoice \$3500, less his net loss \$484.38		3015
					7234
			Account Sales rendered May 14.		
			H. D. Van Syckel's net proceeds	\$3015.62	
			Due by equation, May 16.		

SION

SALES BOOK.

Sales.

1859

May 3 By Cash

" " " Hanna, Beaser & Co.

Sold J. R. Bigelow,
100 bbls. Cider Vinegar, @ \$7.50 . . . 750
Shipped them to Detroit, per their order,
50 bbls. Linseed Oil, @ \$45 . . . \$2250
40 h'f kegs White Lead, @ \$3 . . . 120 2370
Payable at sixty days.

3120

Sales.

1859

May 8 By Bills Receivable

" Interest
" Cash

Sold Wm. A. Holley, Fort Edward,
100 bbls. Sugar, @ \$75
Received in payment a note against Erastus
Corning for 5000
Interest due on same to date 123 47
For balance 2376 53

7500

Sales.

1859

May 14 By Cash

" 17 " Cash

" Loss and Gain

Sold E. A. Charlton,
500 bbls. Pork, @ \$9.50 4750
Sold Theron W. Woolson,
250 bbls. Lard, 50,000 lbs., @ 4 c. 2000
Our net loss 484 37

7234 37

ACCOUNTS SALES,—SET IV.

Account Sales of { 800 kegs Nails,
20000 lbs. Lead, } on joint % of Logan, Wilson & Co., and
ourselves, each $\frac{1}{2}$.

1859							
Apr.	5	Sold for Cash,					
		400 kegs Nails, @ \$3.50				1400	
"	6	Sold R. Haywood, on his note @ 30 days,					
		20,000 lbs. Lead, @ 9 cents		\$1800			
		400 kegs Nails, @ \$3.75		1500		3300	
						4700	
		Charges.					
"	3	Paid Cash for Freight		100			
"	6	Storage and Advertising		10			
		Commission, $2\frac{1}{2}$ % on \$4700		117.50			
		Our $\frac{1}{2}$ net gain on Sales		336.25	563	75	
		Logan, Wilson & Co.'s net proceeds			4136	25	
		Invoice, 800 kegs Nails, @ \$3		2400			
		20,000 lbs. Lead, @ 7 cents		1400			
		$\frac{1}{2}$ net gain		336.25			
		Net proceeds as above		\$4136.25			
		E. E.					
		Due by Equation, May 2.					
		BRYANT & STRATTON,					
		New York, April 6, 1859.					
					per Packard.		

Account Sales of 500 Bbls. Flour on joint % of Niles & Kinne and
ourselves, each $\frac{1}{2}$.

1859							
Apr.	8	Sold Charles Stetson @ 30 days, on %,					
		500 bbls. Flour, @ \$9				4500	
		Charges.					
"	8	Storage and Advertising		\$20			
		Commission, $2\frac{1}{2}$ % on \$4500		112.50			
		Our $\frac{1}{2}$ net gain		183.75	316	25	
					4183	75	
		Invoice, 500 bbls. Flour, @ \$9		4000			
		$\frac{1}{2}$ net gain		183.75			
		Net proceeds as above		\$4183.75			
		E. E.					
		Due by Equation, May 6.					
		BRYANT & STRATTON,					
		New York, April 8, 1859.					
					per Packard.		

ACCOUNTS SALES,—SET IV.

Sales of 1000 bbls. Flour, on joint % of Pilny Moore, Troy, S. G. Payn, Albany, and ourselves, each $\frac{1}{3}$.

1850						
Apr.	13	Sold Warren P. Spencer,				
		1000 bbls. Flour, @ \$10			10000	
		Cash, \$3000—Note @ forty days, \$7000.				
		— Charges. —				
"	10	Paid Freight, in cash		\$200		
"	13	Storage and Advertising		30		
		Commission $2\frac{1}{2}$ % on \$10000		250		
		S. G. Payn's net proceeds		3173.33		
		Our $\frac{1}{3}$ net gain		340	3993	33
		P. Moore's net proceeds*			6000	07
		Invoice 1000 bbls. Flour @ \$8.50		8500		
		Your and our $\frac{1}{3}$ of above		5000.67		
		" $\frac{1}{3}$ net gain		340		
		Net proceeds as above		\$6000.67		
		Due by Equation, May 14.				
		BRYANT & STRATTON,				
		NEW YORK, April 13, 1859.		per Packard.		

Sales of { 100 bbls. Cider Vinegar,
50 do Linseed Oil,
40 h'l kegs White Lead, } on joint % of W. K. Sadler and ourselves, each $\frac{1}{3}$.

1850						
May	3	Sold J. R. Bigelow, for cash,				
		100 bbls. Cider Vinegar, @ \$7.50			750	
"	3	Assumed and shipped on our own %, @ sixty days,				
		50 bbls. Linseed Oil, @ \$45		\$2250		
		40 h'l kegs White Lead, @ \$3		120	2370	
					3120	
		— Charges. —				
"	1	Freight per check		50		
"	3	Storage, Advertising and Insurance		50		
		Commission $2\frac{1}{2}$ % on \$3120		78		
		Our $\frac{1}{3}$ net gain		61	230	
		W. K. Sadler's net proceeds			2881	
		Invoice 100 bbls. Cider Vinegar, @ \$7		700		
		50 do Linseed Oil, @ 40		2000		
		40 h'l kegs White Lead, @ \$3		120		
				2820		
		Net gain		61		
		Net proceeds as above		\$2881		
		Due by Equation, June 20.				
		BRYANT & STRATTON,				
		NEW YORK, May 3, 1859.		per Packard.		

* A duplicate of this statement is sent to S. G. Payn.

ACCOUNTS SALES,—SET IV.

Sales of 100 hhds. Sugar on joint % of F. A. Boyle & Co., N. O., Campbell & Strong, and ourselves, each 1.

1859

May

8	Sold Wm. A. Holley, Fort Edward, 100 hhds. Sugar, @ \$75	7500
---	---	------

— *Charges.*

6	Paid Freight		
8	Storage, Advertising, etc.	\$500	
	Commission 2½ % on \$7300	50	
	Campbell & Strong's net proceeds	187.50	
	Our ½ net gain	2254.17	
	F. A. Boyle & Co.'s net proceeds*	254.17	3245 64
	Invoice, 100 bbls. Sugar		4254 10

Invoice, 100 hhds. Sugar, @ \$60 . . . \$6000

Your and our $\frac{1}{2}$ invoice	4000
Your $\frac{1}{2}$ net gain	4000

Your $\frac{1}{3}$ net gain	4000
Net proceeds as above	254.16
Due by E	\$4254.16

Net proceeds as above	254.10
Due by E	4254.10

Due by Equation, May 8.

BRYANT & STRATTON.

NEW YORK, May 8, 1859.

Sales of, { 800 bbls. Pork,
250 do Lard, } on joint % of H. D. Van Syckel, St. Louis, and our
selves, each $\frac{1}{3}$.

1859

May

May 14	Sold for cash, 500 bbls. Pork, @ \$9.50	4750
" 17	Sold for cash, 250 bbls. Lard, 50,000 lbs., @ 4 c.	2000

Charges.

6	Paid Freight					
17	Storage and Coeprage			\$500		
	Commission 2 1/2 % on \$6750			50		
	Less our 1/2 net loss			108.75	718.75	
	H. D. Van Syckel's net proceeds			484.37	234	88
	Invoice 500 bbls. Pork @ \$20				0515	12

Invoice 500 bbls. Pork, @ \$9	4500
250 do Lard	800

K A

Less your $\frac{1}{2}$ net loss	7000
Net proceeds as above	484.38
Due by Estate	\$6515.62

Due by Equation, May 16.

NEW YORK, May 17, 1859.

BRYANT & STRATTON.

• A duplicate of this statement is sent to Campbell & Strong.

INVOICE BOOK,—SET IV.

OUTWARD INVOICE BOOK.

This Book contains copies of invoices of merchandise shipped by us, whether on our own account or that of the consignee, or on joint % of both. These copies are usually taken with a copying press, and are, therefore, exact *facsimiles* of the invoices sent. The forms here given are those most commonly in use.

Invoice of Merchandise Shipped by Bryant & Stratton, to be sold on joint % of Niles & Kinne, Buffalo, and themselves, each 1/3

20 hhds. Sugar, 24000 lbs., @ 5 c.	\$1200	
100 bags Coffee, 14000 lbs., @ 10 c.	1400	
10 boxes Raisins, @ \$3	400	2000

Charges. —

Insurance 1/3 % on \$3000	15
	2015

BRYANT & STRATTON,

per Packard.

New York, May 6, 1859.

Invoice of Mdse. shipped S. G. Payn, Albany, by Bryant & Stratton, to be sold on joint % of S. G. Payn, Pliny Moore, and themselves, each 1/3

30 hhds. Sugar, 30,000 lbs., @ 6 1/2 c.	1050
---	------

Charges.

Freight on same	50
	2000

BRYANT & STRATTON

per Packard.

New York, April 22, 1859

INVOICE BOOK,—SET IV.

Invoice of Merchandise shipped R. W. Hoadley, Philadelphia, to be sold on joint %, each 1.

200 bbls. Mess Pork, @ \$9	1800
Paid Drayage	1818
E. H.	
New York, May 2, 1859.	
BRYANT & STRATTON, per Packard.	

Invoice of Merchandise shipped Hanna, Beaser & Co., as per their order

50 bbls. Linseed Oil, @ \$45	2250
40 h'l kegs White Lead, @ \$3	120
Payable @ sixty days.	2370
New York, May 3, 1859.	
BRYANT & STRATTON, per Packard.	

KINSEY & HINDE, Cincinnati.

Invoice of Tea.

Bought of STEPHEN V. ALDER & Co.

Terms: 4 Months.

72 Chests Young Hyson Tea.					
108	100	115	105	119	110
109	119	108	100	120	112
112	122	100	112	121	115
120	120	106	113	117	102
103	118	105	110	104	108
117	119	119	117	111	109
102	117	115	115	111	112
115	104	117	119	108	114
112	102	109	106	115	118
106	112	109	120	112	120
108	120	108	104	100	119
105	100	112	100	109	107
1818	1353	1332	1321	1347	1346
Tare, 20 % off					8017
Charges. —					1803
Drayage					6414 @ 30c.
Insurance					1924
NEW YORK, Jan. 13, 1860.					20
					1939
					20

to be sold

New York, February 18, 1860.

Bought of T. J. G. CLARK.

self order

33 Cases assorted goods.

o & Co.

924 . 20

11F.

15	
939	20

BANKING AUXILIARIES.

All Banks of Deposit furnish their dealers with the necessary blanks for keeping a Bank Account. These are, mainly, a Check-Book, a Pass-Book and Deposit-Checks, all of which are here exhibited.

THE CHECK-BOOK.

As will be seen, is a book of blank-checks, with a margin for memoranda, containing, in brief, the Bank Account. The checks are filled and torn off, leaving the memoranda. By adding deposits and deducting checks, the balance in bank is always apparent. Many houses keep no other bank account than this, in which case, the balance in bank is always included in the Cash Account.

THE PASS-BOOK.

Exhibited below, is a simple memorandum of deposits, in which the receiving teller of the bank enters the date and amounts deposited, and as often as required the checks drawn are entered up, showing the balance in bank. This is our Receipt-Book with the bank.

The following example is intended to illustrate a folio, or two pages :

Dr. EAST RIVER BANK IN %			WITH BRYANT & STRATTON, Cr.		
1859			1859		
Apr 1	To Cash	10000	Apr 25	By Cash, Ch. 1	200
May 1	"	5000	" 25	" " Ch. 2	968 75
" 10	"	4000	May 1	" " Ch. 3	50
" 25	"	10000	" 5	" " Ch. 4	150
			" 6	" " Ch. 5	500
			" 7	" " Ch. 6	500
			" 12	" " Ch. 7	4657 50
			" 18	" " Ch. 8	4136 25
		22500			22500
	Balance	21887 50			

DEPOSIT-CHECKS

Accompany the deposits, and contain a memorandum of the kind of funds and the total of each deposit. The receiving teller compares these items, and if correct, enters the amount in the Pass-Book.

Deposited in EAST RIVER BANK,	
By Bryant & Stratton.	
New York, Apr. 1, 1859.	
Bank Bills.....	5000
Specie.....	2500
Checks.....	950
"	550
	10000

East River

1859			
Apr.	1	Deposited	10000
"	25	Check No. 1	200
			9800
"	25	Check No. 2	968 75
			8831 25
May	1	Check No. 3	50
			8781 25
"	1	Deposit	8500
			17281 25
"	5	Check No. 4	150
			17131 25
"	6	Check No. 5	500
			16631 25
"	7	Check No. 6	500
			16131 25
"	10	Deposit	4000
			20131 25
"	12	Check No. 7	4657 50
			15473 75
"	13	Check No. 8	4136 25
			11337 50
"	23	Deposit	10000
			21337 50

CHECK-BOOK.

Bank.

river

0000
200
800
968 75
1831 25
50
1781 25
500
281 25
150
131 25
500
631 25
500
131 25
57 50
173 75
136 25
137 50
000
17 50

No. 1.
H. D. Bryant
on private %
April 25, 1859. 200

No. 2.
Dr. Courier,
Niles & Hinners
Draft
April 25. 968 75

No. 3.
W. R. Jones,
Freight
May 1. 50

No. 4.
New York Herald,
for Advertising.
May 5. 150

No. 5.
Western T. Co.,
Freight
May 6. 500

No. 1. *New York, April 25, 1859.*
EAST RIVER BANK,
Pay to *H. D. Bryant,* or Bearer,
Two Hundred 100 Dollars.
\$200. *Bryant & Shattou.*

No. 2. *New York, April 25, 1859.*
EAST RIVER BANK,
Pay to *Dr. Courier,* or Bearer,
Nine Hundred and Fifty-Eight 100 Dollars.
\$968 100. *Bryant & Shattou.*

No. 3. *New York, May 1, 1859.*
EAST RIVER BANK,
Pay to *W. R. Jones,* or Bearer,
Fifty 100 Dollars.
\$50. *Bryant & Shattou.*

No. 4. *New York, May 5, 1859.*
EAST RIVER BANK,
Pay to *New York Herald,* or Bearer,
One Hundred and Fifty 100 Dollars.
\$150. *Bryant & Shattou.*

No. 5. *New York, May 6, 1859.*
EAST RIVER BANK,
Pay to *Western Transportation Co.,* or Bearer,
Five Hundred 100 Dollars.
\$500. *Bryant & Shattou.*

No. *New York,* 18
EAST RIVER BANK,
Pay to _____ or Bearer,
100 Dollars.

NOTES, DRAFTS, ETC.—SET IV.

NOTES, DRAFTS, ETC.,—SET IV.

\$3300.

Receivable.

NEW YORK, April 6, 1859.

Thirty days after date, for value received, I promise to pay Bryant & Stratton, or order, Thirty-three Hundred Dollars, at the East River Bank.

ROBERT HAYWOOD.

\$5000.

ALBANY, January 1, 1859.

One day after date, I promise to pay to William A. Holley, at the Bank of the Capital, Five Thousand Dollars, value received.

ERASTUS CORNING.

\$1000.

NEW YORK, April 9, 1859.

Thirty days after date, I promise to pay to the order of Bryant & Stratton, at my office, No. 79 Cedar street, One Thousand Dollars, value received.

AUSTIN PACKARD.

\$7000.

BUFFALO, April 13, 1859.

Forty days from date, I promise to pay Bryant & Stratton, or order, at the International Bank of Buffalo, Seven Thousand Dollars, value received.

WARREN P. SPENCER.

\$2900.

Payable.

NEW YORK, April 6, 1859.

For value received, ninety days from date, we promise to pay to the order of Acker, Merrill & Co., Twenty-nine Hundred Dollars, at the East River Bank.

BRYANT & STRATTON.

\$5000.

NEW YORK, April 12, 1859.

Ninety days from date, we promise to pay Daniel Drew, or order, Five Thousand Dollars, value received.

BRYANT & STRATTON.

\$4136 ¹¹/₁₆.

PITTSBURG, April 7, 1859.

At thirty days sight, pay to the order of Geo. K. Chase & Co., at their Banking House, 13 Cooper Institute, Forty-one Hundred Thirty-six ¹¹/₁₆ Dollars, value received, and charge to account of

LOGAN, WILSON & Co.

To Bryant & Stratton, New York.

NOTES, DRAFTS, ETC.—SET IV.

\$3900.

At ten days sight, pay to the order of George A. Crocker Thirty-nine Hundred Dollars, and charge to account of
To Bryant & Stratton, New York.

NEW YORK, May 13, 1859.

HOPKINS & CO.

\$2881.

At thirty days sight, pay to the order of B. McGann, Twenty-eight Hundred Eighty-one Dollars, at the Metropolitan Bank, value received, and charge to account of
To Bryant & Stratton, New York.

PHILADELPHIA, May 25, 1859.

WM. K. SADLER.

LETTER BOOK.

Messrs. Bryant & Stratton,
New York:

PITTSBURG, April 1st, 1859.

GENTLEMEN:—As per our agreement of the 30th ult., we ship you this day, (Invoice enclosed), 800 kegs Nails and 20,000 lbs. Lead, to be sold on our joint %. We shall leave it entirely at your option to push them upon the market, or to await better prices. Your reputation and experience afford sufficient guarantee that whatever course you may see fit to pursue will be the best.

Very truly, yours,
LOGAN, WILSON & CO.

Messrs. Bryant & Stratton,
New York:

BUFFALO, April 2d, 1859.

GENTLEMEN:—Enclosed you will find Invoice of 500 bbls. Flour, which we ship you this day on joint %. You will, perhaps, find it best to take advantage of the present demand in your city to close out the sales at an early day. However, we leave that matter to your own good judgment.

Please keep us advised as to the indications.

Yours,
NILES & KINNE.

Logan, Wilson & Co.,
Pittsburg:

NEW YORK, April 6th, 1859.

GENTLEMEN:—We enclose you Account Sales of the Nails and Lead, shipped us on the 1st inst. Your net gain, as shown, is \$336.23. We think the present a favorable time for this class of sales, and shall be happy to join you in any reasonable amount.

Let us hear from you soon.

Respectfully,
BRYANT & STRATTON.

LETTER BOOK.

Messrs. Niles & Kinne,
Buffalo:

NEW YORK, April 7th, 1859.

GENTLEMEN:—You will please find, enclosed, Invoice of 20 hhds. Sugar, 100 bags Coffee, and 100 boxes Raisins, to be sold, as per our agreement, on joint %.

We have an excellent opportunity, in prospect, of purchasing, to advantage, in this line, and shall be happy to learn from you that the demand will warrant a fair investment. We await your farther advices.

Respectfully,
BRYANT & STRATTON.

Messrs. Niles & Kinne,
Buffalo:

NEW YORK, April 8th, 1859.

GENTS:—Enclosed please find Account Sales of the Flour shipped us on the 2d inst. We feel satisfied with the returns, particularly as since our sales were effected, prices have materially declined. The uncertainty of European affairs renders the provision market extremely unstable, and all prognostications, at this time, unreliable. We have no doubt, however, that the ultimate tendency will be favorable to investments, and do not hesitate to advise you to secure any good bargains which the present seeming depression may throw in your way.

Truly, yours,
BRYANT & STRATTON.

Messrs. Bryant & Stratton,
New York:

TROY, April 10th, 1859.

GENTS:—I ship you to-day, as per Invoice enclosed, 1000 bbls. Flour, to be sold on joint % of yourselves, S. G. Payn, Albany, and myself, each one-third. You will please open an account with Mr. Payn, and render him an Account Sales of his one-third, as per our agreement. I have charged you for your one-third invoice. Please keep me advised.

Yours,
PLINY MOORE.

Pliny Moore, Esq.,
Troy:

NEW YORK, April 13th, 1859.

SIR:—We send you, enclosed, Account Sales of Flour shipped us on the 10th, having effected the sale in less time than we had anticipated. We trust the result will be satisfactory. You now stand credited on our Books \$6,006.67. We have communicated with Mr. Payn. We think the present a favorable time to invest in Flour, and shall be happy to join you in speculation, or to sell for you on commission. We await your further orders.

Respectfully,
BRYANT & STRATTON.

S. G. Payn,
Albany:

NEW YORK, April 13th, 1859.

SIR:—Enclosed please find Account Sales of Flour, shipped us by Pliny Moore of Troy, as per our understanding. Your one-third net gain is \$340, which gives you a total credit on our books of \$3,173.33.

Respectfully, yours,
BRYANT & STRATTON.

LETTER BOOK.

Messrs. Bryant & Stratton,

BUFFALO, April 18, 1859.

New York :

GENTS.—We enclose you Account Sales of the Sugar, Coffee and Raisins, shipped us on the 7th inst. Your net proceeds from Sales, including Invoice and Gain, is \$3215, which we have entered to your credit.

We shall be happy to hear from you.

Respectfully,

NILES & KIMME.

S. G. Payn, Esq.,

NEW YORK, April 22, 1859.

Albany :

SIR—We ship you this day, per Merchants' Line, 30 hhds. Sugar as per enclosed Invoice, to be sold on joint % of yourself, Pliny Moore, Troy, and ourselves, each $\frac{1}{3}$. We have advised Mr. Moore, and he will look to you for an account of the sales.

Please write to us.

Truly yours,

BRYANT & STRATTON.

Pliny Moore,

NEW YORK, April 22, 1859.

Troy :

DEAR SIR—We enclose you Invoice of 30 hhds. Sugar, shipped this day to S. G. Payn, Albany, to be sold on joint % as per arrangement. We have charged you with your $\frac{1}{3}$ Invoice, and advised Mr. Payn to account to you for the sales.

Very respectfully,

BRYANT & STRATTON.

Messrs. Bryant & Stratton,

ALBANY, April 29, 1859.

New York :

GENTLEMEN—I send you enclosed an account of the sales of Sugar shipped by you on the 22d inst. Your $\frac{1}{3}$ loss on sales as per statement, is \$115, which reduces your net proceeds to \$1218.34.

I regret the result, but have done the best I could, under the circumstances. The rapid decline in Sugar could not have been foreseen, and had I delayed the sales another day the result would have been far less satisfactory.

Respectfully yours,

S. G. PAYN.

Messrs. Bryant & Stratton,

PHILADELPHIA, April 30, 1859.

New York :

GENTS.—I ship you this day, as per arrangement, 100 bbls. Cider Vinegar, 50 do. Linseed Oil, and 40 h'f kegs White Lead, to be sold on joint %. I have charged you $\frac{1}{3}$ the enclosed invoice, according to agreement. Please exercise your own judgment in the matter of sales.

Respectfully yours,

WM. K. SADLER.

R. W. Hoadley, Esq.,

NEW YORK, May 2, 1859.

Philadelphia :

DEAR SIR—We enclose you Invoice of 200 bbls. Pork, shipped you this day, to be sold on our joint %. Your $\frac{1}{3}$ Invoice (charged) is \$909. We shall trust entirely to your judgment in effecting sales.

Truly yours,

BRYANT & STRATTON.

LETTER BOOK.

Hanna, Beaser & Co.,
Detroit:

NEW YORK, May 3, 1859.

GENTS.—Enclosed we send you Invoice of Oil and Lead, shipped you this day, as per your order of the 28th ult. We possess extraordinary facilities for purchasing to advantage in this line, and shall be happy to merit your patronage. We trust we need not assure you that your orders shall receive the most prompt attention.

Your ob't serv'ts,

BRYANT & STRATTON

Wm. K. Sadler, Esq.,
Philadelphia:

NEW YORK, May 3, 1859.

DEAR SIR—We enclose you Account Sales of Vinegar, Oil and Lead shipped us on the 1st inst. We think we were fortunate in effecting the sales, and have no doubt, in the present state of the market, that, should you invest pretty heavily at your former figures you would not regret it. We will join you in any amount, or sell for you or commission.

Truly yours,

BRYANT & STRATTON.

Bryant & Stratton,
New York:

NEW ORLEANS, April 26, 1859.

GENTLEMEN—Your favor of the 18th is just at hand. Your proposition for a special copartnership strikes us favorably, and we have, without delay, shipped you as per Invoice enclosed, 100 hhds. Sugar, to be sold on joint % of yourselves, Campbell & Strong of this city, and ourselves, each $\frac{1}{3}$. Campbell & Strong are advised of the arrangement, and you will please communicate with them. We send you their card, and beg to say that you will find them, in all respects, first-class business men. Your references are unexceptionable, and it shall not be our fault if our mutual interests cease with this experiment. You will please exercise your own judgment in conducting sales, and have no delicacy in indicating how we may be of service to you in any direction. We are,

With much respect,

Yours,

F. A. BOYLE & Co.

Messrs. Bryant & Stratton,
New York:

ST. LOUIS, May 1, 1859.

GENTLEMEN—Your Mr. Stratton called on me to-day, and effected arrangements for a special partnership in the purchase and sale of provisions. I have formerly consigned on my own account to John J. Cape of your city, but shall be glad to join you in speculation. I have accordingly shipped, as per enclosed Invoice, 500 bbls. Pork, and 200 bbls. of Lard, one-half of which I have charged to your account.

Hoping that the result of this small adventure may be such as to encourage a more extensive and permanent arrangement, I beg to subscribe myself,

Very truly yours,

H. D. VAN STICKEL.

LETTER BOOK.

F. A. Boyle & Co.,

NEW YORK, May 8, 1859.

New Orleans:

GENTLEMEN—We enclose you Account Sales of the Sugar shipped us on the 26th ult. There can be no trouble in disposing of such a grade at fair rates, and, if acceptable to you, we should like the experiment and risk of a much larger Invoice.

Very truly yours,

BRYANT & STRATTON.

Messrs Bryant & Stratton,

DETROIT, May 13, 1859.

New York:

GENTLEMEN—We send you enclosed Account Sales of the Oil and Lead, shipped us the 3d inst. Your net proceeds, as per statement, has been carried to your credit.

Respectfully yours,

HANNA, BRASER & Co.

H. D. Van Syckel,

NEW YORK, May 17, 1859.

St. Louis:

DEAR SIR—Enclosed please find Account Sales of the Pork and Lard shipped us on the 1st inst. The result has been, greatly to our regret, unfavorable, but we cannot attribute it to any fault of our own. Had we had, from indications, any reason to expect a more favorable turn of the market, we should, of course, have held on; but we chose to secure both ourselves and you against a greater sacrifice, by submitting to a lesser. You will see from the present quotations that we did not err in judgment.

Yours to command,

BRYANT & STRATTON.

Messrs. Bryant & Stratton,

PHILADELPHIA, May 24, 1859.

New York:

GENTS.—I send you enclosed Account Sales of the Pork shipped me on the 2d inst.

Hoping you will find the result satisfactory, I remain,

Yours truly,

R. W. HODLEY.

GENERAL LETTER OF INTRODUCTION.

To Whom it may Concern:

BRYANT, STRATTON & PACKARD'S MERCANTILE COLLEGE,
18 COOPER INSTITUTE, NEW YORK, May 31, 1859.

The bearer, Mr. John F. Simmons, is well known to us as a most estimable young man, and one possessing qualifications which will render him serviceable in any position of trust. He is a thorough accountant, and unusually expert and correct in calculations. We have no hesitation in recommending him to the public.

Very respectfully,

S. S. PACKARD, *Resident Principal.*

EXERCISES FOR THE LEARNER.—FOURTH SERIES.

EXERCISES FOR THE LEARNER.

FOURTH SERIES.

In the following transactions we have endeavored to present the prominent features of the preceding Set, leaving the student to apply the principles without any special instruction. The two months' business will represent two years' as in Set IV., bringing down the balances at the end of the first year and closing finally by Journal entries. As in Set IV. also, the two methods of keeping Mdse. Co. Accounts are represented, to which the attention of the student is particularly called.

Memoranda for April.

April 1. J. H. Goldsmith and _____, * have this day entered into co-partnership, each investing \$8000 Cash. The firm assumes to pay for J. H. Goldsmith, a note in favor of H. W. Ellsworth, dated Jan. 15, with interest @ 6 % from date; face of note \$300; interest due to date, \$3.75. **2.** Paid Cash for Store Fixtures, \$1500, and for rent, six months in advance, \$750. **3.** Bo't of H. G. Reeve & Co., 8 bags Rio Coffee, 1280 lbs., @ 10 c.; 6 chests Young Hyson Tea, 297 lbs., @ 65 c.; 10 boxes Virginia Tobacco, 350 lbs., @ 40 c. Accepted their draft, @ 60 days, favor of Chas. Strong, for the amount. **4.** Received from James Atwater, Lockport, to be sold on his and our joint %, each $\frac{1}{2}$, 500 bbls. Flour, @ \$8; 1000 bush. Wheat, @ \$1.50; paid freight on same, in cash, \$400. **5.** Received from D. L. Wing, Albany, to be sold on joint % of himself, J. Walker, Schenectady, and ourselves, each $\frac{1}{3}$, 1000 bbls., "Julian Mills" Flour, @ \$8.50; paid Freight, in cash, \$100. **6.** Sold W. H. Beebe, for cash, 1000 bush. Wheat, (Mdse. Co. A. Atwater's Consignment,) @ \$1.83. **7.** Sold J. W. Lusk, on %, @ 60 days, 2 chests Young Hyson Tea, 100 lbs., @ 75 c.; Sold J. C. Beale, on his note @ 10 days, 500 bbls. Flour, (Mdse. Co. A.,) @ \$9; Closed Mdse. Co. A., and rendered James Atwater an Account Sales. Our charges for Storage, Advertising and Cooperage, \$75; Commission $2\frac{1}{2}$ % on sales \$—; our $\frac{1}{2}$ net gain, \$98.37; James Atwater's do. \$98.38. **8.** Shipped John R. Penn, Green Bay, Wis., to be sold on our joint %, each $\frac{1}{2}$, the following merchandise, bought on our note, @ 4 months, of H. G. Reeve & Co., 30 hhds. N. O. Sugar, 32,000 lbs., @ 6 $\frac{1}{2}$ c.; 40 bbls. N. O. Molasses, 1442 gals., @ 40 c.; charges for Drayage and Insurance, paid in cash, \$75. **9.** Deposited with Geo. K. Chase & Co., Bankers, cash \$10,000. **10.** Sold for cash, to J. & J. Wynkoop, 1000 bbls. "Julian Mills" Flour, (Mdse. Co. B.,) @ \$9.50; Closed Mdse. Co. B., and rendered Account Sales of the same to D. L. Wing, Albany, and J. Walker, Schenectady. Our Charges, \$75; Commission on Sales, $2\frac{1}{2}$ %. D. L. Wing's $\frac{1}{2}$ net gain, \$195.83; J. Walker's do. \$195.83; our do. \$195.84. **11.** Paid cash for James Atwater's draft on us, at sight, \$1000. **12.** Shipped Robt. C. Spencer, St. Louis, to be sold on joint % of himself, John Atwater, Chicago, and ourselves, each $\frac{1}{3}$, the following Invoice of Merchandise, bought of A. T. Stewart & Co., for cash: 20 pieces dark blue Circassian, @ \$12; 50 pieces green do. @ \$10; 10 pieces Satinet, 300 yds., @ 90 c.; 15 pieces Jeans, 450 yds., @ \$1.25. Deposited cash, \$10,000. **13.** Shipped Stephen A. Douglas, Chicago, pursuant to his order, 8 bags Coffee, 1280 lbs., @ 11 c. **14.** Received

* Let the student use his own name.

EXERCISES FOR THE LEARNER.

cash in full for J. C. Beale's note of the 7th inst. **21.** Paid J. Walker's Draft @ sight, in full of his %, per check on Geo. K. Chase & Co. **25.** Received Account Sales from John R. Penn, Green Bay, of the Mdse. shipped him on the 8th inst. Our $\frac{1}{2}$ net gain, \$250. **30.** Received from R. C. Spencer, St. Louis, Account Sales of the Mdse. shipped him on the 16th inst. Our $\frac{1}{2}$ net loss, \$125. Paid cash in full for J. H. Goldsmith's note and interest—face of note \$300, interest due to date, \$5.25

Memoranda for May.

May 1. Received from John R. Penn, Green Bay, to be sold on his and our joint %, each $\frac{1}{2}$, 3000 bush. Wheat, invoiced @ \$1; paid Freight per check, \$350. **2.** Bought on our note at sixty days, of Claflin, Mellen & Co., 10 pieces Broadcloth, 1000 yds, @ \$4.50; 20 pieces Cassimere, 1500 yds, @ \$2. **3.** Shipped T. W. Woolson, Mt. Pleasant, Iowa, to be sold on our joint %, each $\frac{1}{2}$, 10 pieces Broadcloth, 1000 yds, @ \$4.75, 10 pieces Cassimere, 750 yds, @ \$2.25; paid charges per check, \$75. Received Cash of John Atwater, in full of %. **4.** Sold J. C. Bryant, on his note @ ten days, 3000 bush. Wheat, (Mdse. Co. C—Penn's Consignment), @ \$1.50. Closed Mdse. Co. C, and rendered J. R. Penn an Account Sales of the same: Our charges for Storage, Advertising, etc., \$150; our Commission, $2\frac{1}{2}$ % on Sales, \$—; J. R. Penn's net proceeds, \$1943.75. Our $\frac{1}{2}$ net gain, \$— **5.** Discounted our acceptance favor of H. G. Reeve & Co., due June 5th.; discount off thirty-one days, @ 7 %. Paid Cash for the face of the note, less the interest for the above time, \$— **6.** Shipped Chester Packard, Milwaukee, to be sold on joint % of himself, D. V. Bell, Chicago, and ourselves, each $\frac{1}{2}$, 4 chests Young Hyson Tea, 197 lbs., @ 75 c.; 10 boxes Virginia Tobacco, 350 lbs., @ 50 c.; 100 sacks Rio Coffee, 16,000 lbs., @ 10 c. The Tea and Tobacco were from our store; the Coffee was purchased of Acker, Merrill & Co., on our acceptance @ ten days. Our $\frac{1}{2}$ the above Invoice, \$640.91; C. Packard's do., \$640.92; D. V. Bell's do., \$640.92. **7.** Received from H. B. Tuttle, Cleveland, to be sold on joint % of himself, N. C. Winslow, and ourselves, each $\frac{1}{2}$, 1000 bbls. Flour, invoiced @ \$7; paid Transportation charges per check, \$450. Our $\frac{1}{2}$ invoice, \$2333.33. **10.** Paid James Atwater in full of % per check, \$— **12.** Sold Chas. E. Carryl 10 pieces Cassimere, 750 yds, @ \$2.50. Received in payment James Hill's Note, dated Jan. 1, 1859, with interest at 7 % from date, \$1500. Interest on same to date, \$38.21. Cash for balance, \$— **15.** Sold W. H. Clark for cash, 1000 bbls. Flour, (Mdse. Co. D.), @ \$8.50. Closed Mdse. Co. D, and rendered H. B. Tuttle and N. C. Winslow each an account of the sales. Our charges for Storage, Advertising, etc., \$150; our Commission $2\frac{1}{2}$ % on sales, \$— H. B. Tuttle's net proceeds, \$2562.50; N. C. Winslow's, \$2562.50; our net gain, \$229.17. **16.** Remitted H. B. Tuttle cash in full of %, \$; deposited in Bank \$9000. **17.** Received cash of Stephen A. Douglas, in full of %, \$— Received cash of J. C. Bryant, for his note of May 4th, due this day, \$— **19.** Paid our acceptance of the 6th inst., favor of Acker, Merrill & Co., due this day, in cash, \$— **20.** Received from T. W. Woolson, Mt. Pleasant, an Account Sales of the Mdse. shipped him the 3d inst., to be sold on our joint %. Our net proceeds, remitted in cash, \$4000. **25.** Received from Chester Packard, Milwaukee, an Account Sales of the Mdse. shipped him the 6th inst, for % and risk of himself, D. V. Bell, Chicago, and ourselves, each $\frac{1}{2}$. Our net proceeds \$750. **28.** Paid N. C. Winslow's draft on us, in full of his %, \$—; our draft on D. V. Bell, for \$640.92; Cash for balance, \$— **30.** Received Cash of R. C. Spencer, in full of %, \$—; paid John R. Penn cash, in full of %, \$—; paid D. L. Wing cash, in full of %, \$—

EXERCISES FOR THE LEARNER.

Inventory of Property on hand, April 30.

4 Chests of Young Hyson Tea, 200 lbs. @ 63 c.	126
10 Boxes Virginia Tobacco, 350 lbs., @ 40 c.	140
Store Fixtures, \$1400; unexpired Rent, \$625, (charged to Expense)	2025
	<u>2291</u>

Inventory, May 31.

Store and Fixtures, \$1400—Unexpired Rent, \$500	1900	
Interest due on J. Hill's note	43	75
	<u>1943</u>	<u>75</u>

Resources and Liabilities, April 30.

Merchandise	266		Bills Payable	3117	85
Expense*	2025		James Atwater	4598	38
Cash	6127	25	D. L. Wing	5802	50
J. W. Lusk	75		J. H. Goldsmith	8075	86
J. R. Penn	2981	80		8379	60
Geo. K. Chase & Co.	16070	84			
R. C. Spencer	923	33			
John Atwater	524	17			
Stephen A. Douglas	140	80			
	<u>30034</u>	<u>19</u>		<u>30034</u>	<u>19</u>

Resources and Liabilities, May 31.

Expense	1900		Bills Payable	10156	80
Interest	43	75	J. H. Goldsmith	9527	53
Cash	852	21		9831	26
J. W. Lusk	75				
Geo. K. Chase & Co.	20497	46			
T. W. Woolson	3256	25			
Chester Packard	1380	92			
Bills Receivable	1500				
	<u>29515</u>	<u>59</u>		<u>29515</u>	<u>59</u>

* Fixtures and unexpired rent.

126
140
2025
2291

1900
43 75
1943 75

3117 85
4508 39
5802 50
8075 86
8379 60

0034 19

0156 80
9527 53
9931 26

9515 59

SET V.

JOBGING AND IMPORTING BUSINESS,

EMBRACING AS PRINCIPAL BOOKS,

CASH BOOK, DOMESTIC AND FOREIGN INVOICE BOOKS,
SALES BOOK AND JOURNAL;

AND AS AUXILIARIES,

INVENTORY BOOK AND BILL BOOK,

WITH A ROUTINE OF TRANSACTIONS TAKEN FROM ONE OF THE MOST EXTENSIVE BUSINESS HOUSES
IN NEW YORK.

REMARKS ON SET. V.

REMARKS ON SET V.

In the following set we have illustrated a practical method of keeping the accounts of an Importing and Jobbing business. The particular feature in this set consists of the manner and form of original entries, which are made in separate books,—elsewhere used as auxiliaries,—from which they are either Journalized, or passed directly to the Ledger at stated periods. This method has many advantages over consecutive entries in the Day Book, and, in one form or other, is adopted generally in all large establishments. The labors of the Book-keeper are thus divided up, and the separate departments of the business receive such special record as to present all the facts in their clearest light. Thus, if any particular information is desired respecting purchases, all the facts can be shown at once from the Invoice Book; and, in the same manner, the fact and condition of the sales can be shown from the Sales Book, the receipts and disbursements of cash from the Cash Book, etc.

In the previous sets these books are represented, but they are used only as auxiliaries, the entries of the business being made in the other books without reference to them. This plan, it will be evident, although possessing some merits, involves a large amount of unnecessary labor, which would prove a great objection in extensive houses. The special books themselves, however, are so essential to every well-regulated business, that they would receive favor, even at the expense of this additional labor. If, therefore, they can be used without additional labor, and even at a reduction of labor, it would seem that no farther argument would be needed to secure their adoption.

The only difficulty in the way of using special books for original entries lies in the danger of making the entries in the different books conflict with each other upon the Ledger. For example: If a Cash Book is used, it should be competent to show all receipts and disbursements of cash. This purpose is very easily effected by placing the receipts on one side, and the disbursements on the other—the difference, of course, being, at any time, the amount on hand. But this does not cover the entire utility of the Cash Book. At the same time that cash received is entered upon the debit side of the Cash Book, the object or cause for which it is received may also be stated; in which case a double entry is effected, although but one amount shown. The same principle will hold in entering the disbursements of cash; as, when cash is paid, the object or cause for which it is paid is properly expressed. The appropriate caption for the debit side of the Cash Book, then, would be "Cash Dr. To Sundries;" the debit of cash being the total amount received at any specified time, and the credit of sundries being the separate amounts produced by the different causes represented; and, on the other hand, the caption for the credit side would be "Sundries Dr. To Cash," cash being credited for the total disbursement as shown, and the sundry causes for which cash was paid debited for their separate amounts. It will thus be seen that the debit side of the Cash Book contains the credits of all accounts producing cash; and the credit side, the debits of all accounts costing cash.

Upon the same principle the Invoice Book, which sustains the same relation to merchandise that the debit side of the Cash Book does to cash, while it shows, in total, the entire cost of merchandise, will also exhibit the separate credits producing merchandise; and the Sales Book, which sustains the same relation to merchandise that the credit side of the Cash Book does to cash, while it shows, in total, the proceeds of merchandise, exhibits also the separate debits produced by the sales. The difficulty of which we have spoken will now be apparent; as, in every case involving any two of these books, the tendency will be to debit and credit the same accounts twice—effecting thus a double entry not contemplated by projectors of the

REMARKS ON SET V.

science, and of course not warranted by the facts in the case. Thus, all cash receipts being entered, at specified periods, in total, from the debit side of the Cash Book, and all cash disbursements from the credit side, it would be erroneous to enter cash from any other book; and the same theory will apply with equal force to the Invoice and Sales Books.

If, therefore, the peculiar rights of each of these books be respected, viz.: permitting all cash entries to be taken to the Ledger from the Cash Book, and all purchases and sales of merchandise from the Invoice and Sales Book, it would preclude the entering of cash in the Invoice or Sales Book, and also of merchandise in the Cash Book. Take a single example: Suppose the entry to be "Cash Dr. To Merchandise." All cash receipts must appear on the debit side of the Cash Book, and the entry on that book would be "To Merchandise," extending the amount into the debit column. When the Cash Book is posted, this amount will, of course, be included in the total cash debit, and must comprise one of the opposites, or credit entries. So cash would be debited and merchandise credited both from the Cash Book. Again, all sales of merchandise must be entered in the Sales Book, and when entered the corresponding debit—in this case, cash—must also be expressed. When the Sales Book is posted, the total for which merchandise is credited will include this amount (already entered and posted from the Cash Book), to correspond with which, and to secure the necessary condition of equal debits and credits, cash must again be debited. According to this standard, therefore, in every case where merchandise is either bought or sold for cash, and the fact expressed through these special books, this error of duplicating debits and credits would occur.

To avoid this difficulty—the only one which stands in the way of classified original entries—two methods have been successfully used; one of which places the books upon an equality, using "neutralizing" accounts for the conflicting entries, and the other acknowledges the supremacy of some one or more books, to which, in all matters of conflict, the others must yield. To be more explicit: In the case before instanced, "Cash Dr. To Merchandise." If the Cash Book and Sales Book were upon an equality, the one claiming to furnish all cash entries for the Ledger and the other all merchandise sales, it would be improper to write Cash as a Ledger title in the Sales Book or Merchandise in the Cash Book, for the reasons adduced; but a neutralizing account might be opened, to take the place of cash in the Sales Book and merchandise in the Cash Book, thus receiving a debit and credit of the same amount, which would, of course, cancel it. Suppose the merchandise to be sold to A, for cash: In the Sales Book the entry would be "A" Dr., and in the Cash Book, "A" Cr. The result would be the same as if A had purchased on account, and subsequently paid the amount in cash, thus closing his account. But suppose we acknowledge the supremacy of the Cash Book in all cases where the two are concerned. When merchandise is sold for cash, the entry in the Cash Book will be "Cash Dr. To Merchandise," both of which—the debit of cash and the credit of merchandise—will go to the Ledger from the Cash Book. The same entry can be made in the Sales Book, *but not posted.* For this purpose a special column may be used—as in the following examples—which, at such times as the general result may need to be shown, can be extended into the other column, which in the total footing will embrace all the sales.

Each of the above methods has its advantages; the latter, however, is generally preferred as being more brief and direct, if not more in keeping with the spirit of the times.

The Invoice Books, and the Sales Book which follow, contain all purchases and sales of merchandise, with the conditions thereof. All sales and purchases *not made for cash* pass from these books to the Ledger; all others, from the Cash Book.

The transactions of this, and most of the forms, are taken from one of the largest Importing and Jobbing Houses in New York, and may be relied upon as eminently practical.

ROUTINE AND EXPLANATIONS.

ROUTINE AND EXPLANATIONS.

THAT the student may get the full advantage of this Set, it will be necessary that he pay strict attention to the routine of transactions as indicated below. Let him make the entries in the different books precisely in the order given. Let the invoices be copied with care, and all the calculations and extensions made by himself. It is thus alone that the design of the Set will be carried out. The exercises connected with the Foreign Invoice Book, involving compound numbers, and reduction of currencies, are highly essential. In reducing sterling to federal currency, we have taken the Custom House standard of \$4.84 to the £ sterling. We have also added to each foreign invoice, the duties, which being paid in cash, are not extended with the invoice, but posted from the Cash Book. In most importing houses, the duties are not extended in the Invoice Book, but only in the Cash Book. For strong reasons, we prefer the method here adopted.

ROUTINE FOR JULY.

1. The books are opened, as per first Journal entry. (Inventory Book copied—Cash Book commenced with balance on hand—Bill Book written up to show the notes, receivable and payable, as indicated in Journal entry.)... Bought of C. F. Spalding, on note @ 4 months, Invoice of Sheetting, \$553.57, (Dom. I. B.—B. B.)... Received per steamer Edinburgh, Invoice of Jaconets from S. B. Higgins & Co., \$1,252.55; Paid duties in cash, \$300.61, (For. I. B.—C. B.)... Bought of B. S. Olmstead for cash, Invoice of Prints, etc., \$1,303.76, (Dom. I. B.—C. B.)... Sold Gordon Bailey, Buffalo, on note @ 8 months, Invoice of Jaconets, \$891.35, (S. B.—B. B.)... Sold Ira Packard, Peru, Ind., on note @ 6 months, Invoice of Hose and Gloves, \$273.52, (S. B.—B. B.)... Sold Mdee. this day, per Petty Cash Book, \$97.50, (C. B.)... Received cash on % of John Lewis, \$300, (C. B.)
2. Paid Francis & Loutrel for Stationery, \$16.75, (C. B.)... Lent J. E. Jenkins, for one day, \$1,000, (C. B.)... Sold Mdee. per Petty Cash Book, \$125, (C. B.)
3. Sold Hiram Newell, Tonawanda, on his note @ 6 months, Invoice of Sheettings, \$697.54, (S. B.—B. B.)... Received of J. E. Jenkins, return loan, \$1,000, (C. B.)... Paid cash for Postage Stamps, etc., \$3, (C. B.)
4. Paid S. S. Packard, on private %, \$100, (C. B.)
5. Received cash of J. H. Lewis, in full of %, \$1,200, (C. B.)
6. Paid Richard Beal cash, in full of %, \$185, (C. B.)
7. Sold Mdee. per Petty Cash Book, \$157, (C. B.)
8. Bought of John Walker & Co., on our note @ 3 months, Invoice of Cotton, \$1,006.64, (Dom. I. B.—B. B.)... Received per steamer Manchester, from Johnson, Quigley & Co., Manchester, Invoice of Cotton and Silk Goods, \$221.11; Paid duties in cash, \$44.21, (For. I. B.—C. B.)... Bought of Claflin, Mellen & Co., for cash, Invoice of Prints, \$2,312.52, (Dom. I. B.—C. B.)... Sold W. F. Pratt, Cincinnati, for cash, Invoice of Jaconets, 714.28, (S. B.—C. B.)... Sold Baldwin, Laundon & Co., Elyria, O., on their note @ 8 months, Invoice of Shirting, \$869.38, (S. B.—B. B.)
9. Received cash of W. Pennel, in full of %, \$453.59, (C. B.)
10. Sold Charles Claghorn, Homer, Ill., Invoice of Cloths, \$433.12, (S. B.—C. B.)... Paid cash for Drayage and Portage, \$55, (C. B.)
11. Received cash in full of John Gundry's note, 1,550, (C. B.—B. B.)
12. Received per steamer Aetna, from A. & J. Bailey, Bradford, Invoice of Goods, \$246.38; Paid duties in cash, \$46.80, (For. I. B.—C. B.)... Sold E. Mussey & Co., Amherst, O., on their note @ 6 months, Invoice of Shirting, \$928.25, (S. B.—B. B.)... Sold Mdee. for cash, as per Petty Cash Book, \$115.75, (C. B.)
13. S. S. Pomroy's note discounted, \$1,000; Discount off, \$16.92, (C. B.—B. B.)
14. Bought of E. Lambert & Co., on our note @ 8 months, Invoice of Bleached Shirtings, \$660.73, (Dom. I. B.—B. B.)... Sold Starr & Co., Elyria, O., on their note, @ 6 months, Invoice of Prints, \$1,425.43, (S. B.—B. B.)... Paid J. T. Calkins on private %, \$150, (C. B.)
15. Sold Mdee. for cash, per Petty Cash Book, \$127.50, (C. B.)
16. Sold M. Shipley & Co., Cincinnati, on his note @ 8 months, Invoice of Bleached Shirting, \$1,460.14, (S. B.—B. B.)
17. Paid cash in full of note, favor of H. G. Smith, \$4,000, (C. B.—B. B.)
18. Sold Bidwell & Co., Adrian, Michigan, for cash, Invoice of Goods, \$400, (S. B.—C. B.)... Starr & Co.'s note discounted; Face of note, \$1,425.43. Discount off, \$50.44, (C. B.—B. B.)... Received per

ROUTINE AND EXPLANATIONS.

steamer Halifax, from S. T. Horton, Glasgow, Invoice of Goods, \$440.14; Paid duties in cash, \$705.63. (For I. B.—C. B.) ... Bought of A. T. Stewart & Co., for cash, Invoice of Prints, \$393.63, (D. I. B.—C. B.) ... Paid clerk hire in cash, \$85, (C. B.)

27. Sold Mdee. for cash, as per Petty Cash Book, \$275, (C. B.)

28. Sold E. C. Packard, Crystal Lake, Wis., on his note @ 8 months, Invoice of Goods, \$171.04, (S. B.—B. B.)

29. Paid D. V. Bell, on private %, \$175, (C. B.)

30. Sold Mdee. as per Petty Cash Book, \$83, (C. B.)

31. Received cash of R. Barker, in full of %, \$1000.

ROUTINE FOR AUGUST.

1. Sold O. C. & E. C. Wright, Lockport, N. Y., on their note @ 6 months, Invoice of Goods, \$1432.89, (S. B.—B. B.) ... Paid cash for Drayage and Portage, \$17.50, (C. B.)

2. Lent J. H. Tobitt, \$500, (C. B.)

3. Sold C. R. Caulkins, Delaware, O., for cash, Invoice of Prints, \$739.63, (S. B.—C. B.) ... Sold Mdee. as per Petty Cash Book, \$39.27, (C. B.)

4. Discounted our Note, favor of Geo. A. Crocker; face of note \$1426. Discount off, \$19.41, (C. B.—B. B.) ... Sold D. S. Hoadley, Berlin, O., on his note @ 8 mos., Invoice of Goods, \$527, (S. B.—B. B.)

5. O. C. & E. C. Wright's note discounted; face of note, \$1432.89. Discount off, \$49.60, (C. B.)

7. Sold Mdee. as per Petty Cash Book, \$150, (C. B.)

8. Sold J. D. Hinde & Co., Cincinnati, on their note @ 8 months, Invoice of Mdee., \$752.87, (S. B.—B. B.)

10. Received per steamer Australia, from Wm. Thornton & Co., Bradford, Invoice of Goods, \$1454.64. Duties paid in cash, \$276.33, (For. I. B.—C. B.) ... Sold Geo. A. Crocker, Rochester, for cash, Invoice of Prints, \$912.75, (S. B.—C. B.) ... Bought of Wilson G. Hunt, on our note @ 8 months, Invoice of Cloths, \$708.40, (D. I. B.—B. B.)

12. Sold Mdee. as per Petty Cash Book, \$218.50, (C. B.) ... Paid cash for Drayage, \$100, (C. B.)

13. Sold W. H. Woodbury, Chicago, Ill., on his note @ 8 months, Invoice of Goods, \$908.29, (S. B.—B. B.) ... Paid J. C. Bryant cash on private %, \$150.

17. Sold C. C. Jones, Peoria, Ill., on his note @ 6 months, Invoice of Goods, \$945.94, (S. B.—B. B.) ... Sold Mdee. as per Petty Cash Book, \$275, (C. B.)

20. Received per steamer Lebanon, from J. Muir & Sons, Manchester, Invoice of Goods, \$188.62. Paid duties in cash, \$45.27, (For. I. B.—C. B.) ... Bought of Arnold & Constable, on our note @ 8 months, Invoice of Cloths, \$1926.14, (Dom. I. B.—B. B.) ... Bought of Grinnell & Minturn, for cash, Invoice of Goods, \$1492.68, (Dom. I. B.—C. B.) ... Sold Paul Roberts, Buffalo, for cash, Invoice of Goods, \$923.40, (S. B.—C. B.)

23. Sold Mdee. as per Petty Cash Book, \$175, (C. B.)

25. Sold M. Tompkins & Co., LaSalle, Ill., for cash, Invoice of Gloves, \$460.72, (S. B.—C. B.) ... C. C. Jones' note discounted; face of note, \$945.94. Discount off, \$32.19, (C. B.) ... Paid Postage, Portage, etc., in cash, \$13, (C. B.) ... Sold C. J. Dietrich, Bellefontaine, Ind., on his note @ 8 months, Invoice of Goods, \$402.50, (S. B.—B. B.) ... Sold Baldwin & Co., Cleveland, on their note @ 8 months, Invoice of Prints, \$717.47, (S. B.—B. B.)

27. Sold Ubbell Pierson & Co., St. Louis, on their note @ 8 months, Invoice of Mixtures, \$3503.71, (S. B.—C. B.)

28. Sold Raymond & Co., Cleveland, on 8 months note, Invoice of Goods, \$641.72, (S. B.—B. B.)

30. Sold Jonas Stratton, Amherst, O., on note @ 8 months, Invoice of Goods, \$457, (S. B.—B. B.)

31. Sold Mdee. per Petty Cash Book, \$115, (C. B.) ... Paid cash in full of Drayage %, \$50.75, (C. B.)

DOMESTIC INVOICE BOOK.

DOMESTIC INVOICE BOOK.

This book contains copies of all invoices of merchandise purchased from importers and others in this country, with the conditions of all such purchases. Each lot and package is distinguished by some peculiar mark, which is transferred to the invoice, thus serving an important purpose in checking the articles, adjusting disputes, etc.

The purchases on time, for which notes are given, are passed to the Ledger from this book; those for cash, from the Cash Book.

JULY 1, 1860.

		C. F. Spalding & Co.,	4 months.		
	13	2 ps. 10-4 Shooting.	92 ^o	@ 55c.	51.01
	14	2 " "	92 ^o	60	55.65
	15	2 " "	91 ^o	65	59.64
	16	2 " "	92 ^o	70	64.58
	20	1 " "	45 ^o	75	34.12
	14	1 " "	46 ^o	65	30.39
	16	1 " "	46 ^o	70	32.38
	18	1 " "	44 ^o	75	33.19
	20	1 " "	45 ^o	80	36.40
	16	1 " "	46	75	34.50
	18	1 " "	45 ^o	80	35.60
	20	1 " "	45 ^o	90	40.95
	22	1 " "	46	96	44.16
		Note @ 4 months from July 5.			
		"			
		B. S. Olmstead,	6 months.		
		5 Cases Columbia Prints,			
	596	2137 ^o			
A. S.	587	1913 ^o			
X.	361	1955			
	341	1866 ^o			
A. C.	411	1742 9615 yds. @ 8c. less $\frac{1}{2}$ c.		721.12	
		1 Bale 2 $\frac{1}{2}$ lb. Black Wadding 80 yds. @ 40c.		12.00	
	1141	2 Bales Brown Globe Drills,			
	1147	1032 ^o			
		1029 2061 ^o @ 7 $\frac{1}{2}$		157.31	
		4 Cases Harop Prints,			
	481	246 1331 ^o			
M. C.	491	1262 1581 ^o			
M.	508	1108 1222			
M.	97	1276 1715 ^o 5351 @ 8 $\frac{1}{2}$ c less 2 $\frac{1}{2}$ %		482.91	
		Loss 5 %		1275.25	
				68.97	
		M. 97—1276, short 24 yds.		1206.28	
				2.82	
		Add error in extending Harop Prints,		1201.76	
				2.00	
		C. B.		1203.76	
		Amounts forward,		1203.76	553 57

DOMESTIC INVOICE BOOK.

JULY 10, 1880.

		Amounts forward,		8 months.	1808	76	553	57
John Walker & Co.,								
794	40	pa. Duck Drilling,	1411 ¹	@ 17c.	259.96			
800	40	"	1389 ¹	18	250.11			
834	36	Brown "	1415 ¹	25	353.88			
704	43	W. B. Diaper,	2169 ¹	7 $\frac{1}{2}$	162.69		1006	64
		Note @ 6 months from July 10.						
Clafflin, Mellen & Co.,				8 months.				
8855	50	pa. Prints, #	875	1783				
9500	52	"	818	1831 ¹	3615 ¹ yds @ 10c.	361.37		
8615	55	"	812	1845 ¹				
9434	52	"	817	1803 ¹				
9737	54	"	814	1870 ¹	5519 "	9 $\frac{1}{2}$ c.	524.50	
9024	61	"	816	2112 ¹				
7906	59	"	822	2043 ¹				
8188	57	"	879	1922 ¹	6145 ¹	"	9c.	552.83
9639	56	"	818		1945 ¹	"	9c.	175.07
199	63	"	820	2249 ¹				
238	60	"	831	2140	4389 ¹	"	7 $\frac{1}{2}$ c.	329.21
493	50	"	834	2164 ¹				
358	59	"	823	2062 ¹	4225 ¹	"	7 $\frac{1}{2}$ c.	316.76
9085	58	"	825		1970 ¹	"	9c.	177.37
		Deduct 5%			2436.91			
					121.84			
		Less 1 pa. short 38 ¹ @ 7 $\frac{1}{2}$ c. 5% off			2315.07			
					2.55			
C. R.					2312.52	3312	53	
				20				
Edward Lambert & Co.,				8 months.				
4 Cases 4-4 Bleached Shirting.								
750	40		1732 ¹					
751	40		1736					
753	40		1755					
754	40		1731 ¹	6955 yds @ 9 $\frac{1}{2}$ c.			660	73
		Note @ 8 months from July 20.						
				25				
A. T. Stewart & Co.,								
C. M. 3892	52	Prints, #	973	1858				
E. A. 5788	52	"	958	1834				
E. A. 6302	52	"	957	1895 ¹	5587 ¹ yls @ 8c.	446.96		
D. C. 4137	51	"	973	1924 ¹				
E. M. 5630	49	"	968	1954 ¹				
E. O. 5685	49	"	971	1922	5806 @ 8 $\frac{1}{2}$ c.	492.58		
					920.66			
		Discount off 5%			47.03			
C. R.					873.63	593	63	
		Purchases on time (taken to Ledger).					2220	94
		Cash Purchases (entered from C. R.).					4502	91
		Total for the month,					6722	85

DOMESTIC INVOICE BOOK,—SET V.

NEW YORK, AUGUST 10, 1860.

Wilson G. Hunt,			8 months,	
23 ps. 2-4 Doekin,				
# 163	728 28½	# 165	899½ 22½	
	870 29		748 29	
	754 28½		894	
	864 28½		835 28½	
	860 29½		834 28½	
	755 29½		729 28½	
	759 28½		861 28½	
	750 27½		233 28½	
	823 29½		716 27½	
# 162	554 28½		806 28½	
163	833 28½		899½ 21½	—616 yds. @ \$1.15
Note @ 8 months from Aug. 10.				
20				
Arnold & Constable,			10 months,	
1877	80	Belgian Cass.	1091	
1881	80	"	1178	
1896	80	"	1187	
1915	28	"	1094	
1903	80	"	1151	
1787	23	World's Fair	1968	
1775	80	"	1168	
1823	23	"	1279	
1824	23	"	1261	
1845	80	"	1147	
1906	30	Sebastopol Checks	1188	
1915	27	"	1245	—14191 yds. @ 18½c. 1915.78
Cooperage,			2.00	
			1918.78	
Add 77 yds. @ 18½c.			10.39	
Less Freight,			2.03	
Note @ 8 months.			7.36	
"				
Grinnell & Minturn,			8 months,	
S. M. A.	733	1240		
	734	1239 " Springfield,"		
H. M. C. A.	735	1234		
	539	1208		
	540	1233		
5 Cases 4-4 Bleached Sheetting, 6156 yds. @ 10½c.			646.28	
S. M. D.	169	1202		
	170	1197		
	171	1233		
	172	1171		
	173	1212		
H. M. C. D.	493	1239		
	500	1254		
	501	1234		
3 Cases 23 in Bleached Sheetting, 9734 yds. @ 9½c.			924.75	
			1571.12	
Q. B.			78.55	
Discount off 5%			1492 58	
Purchases on time (taken to Ledger),			2634 54	
Cash purchases (posted from Cash-Book),			1492 58	
Total for the month,			4127 12	

NEW YORK, JULY 1, 1860.

Federal Circuit

* Copies of Foreign Invoices, with Import Duties added.

FOREIGN INVOICE BOOK,—SET V.

NEW YORK, JULY 15, 1880.

		Sterling Currency.			Federal Currency.			
		£	s.	d.	\$	cts.	\$	cts.
Amounts forward					844	03	1473	06
P. B. & Co.	84	A. & J. Bailey, Bradford, per Steamer "Etna," June 15, 1880. 608 Lavalles assorted, 3028 ² @ 24d. Making up, Casing, etc.			43	17	11	
		2	8	10	51	4	9	
			12	2	50	18		
				6				
		Discount 1 1/2 %						
		Carriage to Liverpool			50	18	0	
		Duties 19 %—Paid in Cash.			46	30	346	36
		25						
P. B. & Co.	80	S. T. Horton, Glasgow, per Steamer "Halifax," June 20, 1880. 400 9-8 14 ⁰⁰ Robes a Les, 10 yds. each 4s. 6d. Off 86 pa. No 1, 9s., and 16 % £1 7s.			90	0	0	
			1	12	88	4	0	
			2	12	90	17	0	
		Card 4s., Box 17s., Com. etc., £1 12s.						
		Carriage			90	18	9	
		Duties 24 %—Paid in Cash			105	63	440	14
		Total Imports for the month			497	35	5100	16
		Duties on the same					497	25
							9457	41
August 10								
P. B. & Co.	80	William Thornton & Co., Bradford, per Str. "Australia," July 1, 1880.			89	0	2	
		608 Mohair Mixtures, 2996 @ 24d. Case, Pkg. etc., 14s., Com. 18s. 6d.			1	12	6	
		608 Bye Cloths assorted, 2969 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			87	9	2	
		608 Bye Cloths assorted, 2973 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 7d.			1	11	6	
		608 Bye Cloths assorted, 2965 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			87	5	8	
		608 Bye Cloths assorted, 2966 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			1	11	7	
		608 Bye Cloths assorted, 2965 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			87	1	3	
		608 Bye Cloths assorted, 2966 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			1	11	6	
		608 Bye Cloths assorted, 2965 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			87	1	6	
		608 Bye Cloths assorted, 2965 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			1	11	6	
		608 Bye Cloths assorted, 2965 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			87	1	4	
		608 Bye Cloths assorted, 2965 @ 2d. Case, Pkg. etc., 12s., Com. 18s. 6d.			1	11	6	
		608 Fine Mohair Mixtures, 2877 ² 54d. Case, Pkg. etc., 12s. 6d. Com. 22s. 11d.			45	18	10	
		1 1/2 % discount			2	6	6	
		Carriage to Liverpool			802	5	1	
		Duties 19 %—Paid in Cash			2	15	7	
		20			298	9	6	
		James Muir & Sons, Manchester, per Str. "Lebanon," July 10, 1880.			2	1	5	
		25 pa. White Piques, 284 @ 2s. 4d. Discount 1/2 %			800	10	11	
		Charges, Commission, etc.			276	35	1454	64
		Duties 24 %—Paid in Cash						
		Total imports for the month			45	27	188	32
		Duties on same					1648	36
		Total costs of imports					391	68
							1944	91

SALES BOOK.

SALES BOOK.

This book contains all the regular sales, either for cash or on time; the cash sales being extended in the inner column, are, of course, not included in the amount for which merchandise is credited from the Sales Book. These sales, together with the petty sales not entered on the Sales Book, are posted from the Cash Book. The total credit of the merchandise account for the month will agree, in amount, with the monthly recapitulation in the Sales Book.

NEW YORK, JULY 1, 1860.

G	205	Gordon Bailey,	Buffalo, N. Y.		
	208	50 pa. 2-8 Printed Jaconets, 2573 yds. @ 15c.	\$385.90		
	209	40 pa. 2-8 10 B.&W. " 1869 " 10c.	150.95		
	210	58 pa. " " 1455 " 10c.	145.50		
		58 pa. " " 1394 " 15c.	909.10		
		Note @ 6 months from July 1.			
L. P.	21	Ira Packard,	Peru, Ind.		
	46	25 doz. Ladies' White Cotton Hose, @ \$1	\$25.00		
	46	20 " " " 1.25	25.00		
	1	29 " " " 1.15	\$2.77		
	6	1 doz. Pearl Spun Silk Hose, 8 1/2	8.00		
	100	4 doz. Black " " 9	8.00		
	101	4 doz. Pearl " " 9	\$7.50		
	15	3 doz. Ladies' White Gauntlets, 4.50	40.00		
		5 " " " 4.75	23.75		
		5 " " " 9.00	45.00		
		Note @ 6 months from July 1.			
5	13	Hiram Newell,	Tonawanda, N. Y.		
	14	2 pa. 10-4 Shooting, 92 1/2 yds. @ 70c.	\$64.93		
	16	2 " " " 92 1/2 " 75c.	69.56		
	18	2 " " " 91 1/2 " 80c.	73.40		
	20	2 " " " 92 1/2 " 85c.	78.41		
	14	1 " " " 45 1/2 " 90c.	40.95		
	16	1 " 11-4 " 50 1/2 " 84c.	42.17		
	18	1 " " " 46 1/2 " 90c.	41.63		
	20	1 " " " 44 1/2 " 95c.	42.04		
	16	1 " " " 45 1/2 " \$1	45.50		
	18	1 " 12-4 " 46 " 95c.	42.70		
	20	1 " " " 45 1/2 " \$1	45.75		
	22	1 " " " 45 1/2 " \$1.15	52.32		
		1 " " " 45 1/2 " \$1.25	57.19		
		Note @ 6 months from July 1.			
10	206	W. P. Pratt & Co.,	Cincinnati,		
	207	50 pa. Printed Jaconets, 2540 1/2 yds. @ 14c.	\$355.67		
		50 " " " 2561 1/2 " 14c.	359.61		
		Received Cash.			
		Amounts forward,			
				714	28
				714	28
				1862	41

SALES BOOK,—SET V.

NEW YORK, JULY 10, 1860.

B.L. & Co.		Amounts forward,		714	28	1802	41
		Baldwin, Laundon & Co.,		Elyria, O.			
		4 Cases Bleached Shirting,					
		#780 40 1782 ²					
		781 40 1786					
		788 40 1748 ¹					
		784 40 1741 ²		8955 yds. @ 12 $\frac{1}{2}$ c.		809	39
		Note @ 3 months from July 10.					
		12					
		Charles Claghorn & Co.,		Homer, Ill.			
		10 pa. Black Dosekin,					
		#163 728 28 $\frac{1}{2}$					
		870 29					
		784 28 $\frac{1}{2}$					
		864 28 $\frac{1}{2}$					
		860 28 $\frac{1}{2}$					
		788 28 $\frac{1}{2}$					
		789 29 $\frac{1}{2}$					
		780 29 $\frac{1}{2}$					
		822 28 $\frac{1}{2}$					
		883 29 $\frac{1}{2}$		288 $\frac{1}{2}$ yds. @ \$1.50		433	13
		Received Cash.					
		15					
		E. Mussey & Co.		Amherst, O.			
		5 cases Bleached Shirting,					
733		1240 ¹					
734		1239					
735		1234 ²					
539		1206					
540		1233 6185 yds.		@ 15c.		923	25
		Note @ 3 months.					
		20					
		Starr & Co.,		Elyria, O.			
C. M.	3892	53 Prints, 973 1858					
E. A.	5788	53 " 965 1834					
E. A.	6202	53 " 967 1895		5587 yds. @ 12c.		\$670.44	
D. O.	4187	51 " 972 1934 ²					
E. N.	5630	49 " 968 1954					
E. O.	5685	49 " 971 1929 ²		5908 yds. @ 12c.		755.04	1425
		Note @ 3 months.					
		22					
		Murray Shipley & Co.,		Cincinnati, O.			
		8 cases 23in Bleached Shirting,					
169		1202 ²		1212 ²			
170		1197 ¹		1239			
171		1228 ²		1254			
173		1171 ¹		1224		9734 $\frac{1}{2}$ yds. @ 15c.	
		Note @ 3 months.					
		Amounts forward,		1147	40	6540	66

SALES BOOK,—SET V.

NEW YORK, JULY 25, 1860.

		Amounts forward,	1147	40	6540	66
520	7	Bidwell & Co., Adrian, Mich. 200 2-8 14" Robe & Lee (10 yds.) @ \$2.00 Received Cash.	400			
		28				
674	14	Edwin C. Packard, Crystal Lake, Wis. 4 White Pique, 119' @ 75c. \$89.44 18 " 37' @ 80c. 30.30 17 " 44' @ 80c. 51.40 Note @ 3 months from date.			171	04
		Sales on time, Sales for Cash, entered herein but posted from C. R. Petty sales, entered alone on C. R. Total sales for the month,	1547 980	40 75	0711 2528 9239	70 15 85
		August 1				
H. M.	62	O. C. & E. C. Wright, Lockport, N. Y. 1 bale Brown Sheeting, 563' yds. @ 14c. \$78.82 50 doz. Gent's Linen Hdkfs. @ \$2. 250.00 1 case Cotton Damask, 540 yds. @ 20c. 108.00 16 pcs. Blk Bombasin, 568 yds. @ \$1.25 710.00 1 case Silecia, 2200 yds. @ 12c. 264.00 Note @ 3 months.			1432	89
R. I.	231	3				
		C. R. Caulkins, Delaware, O. 50 pa. Prints, 875 1782 50 " 613 1821' 3613' yds. @ 15c. \$542.06 58 " 825 1970' " 12c. 234.49 778.55 5 % off. 32.92 Received Cash.	739	63		
		5				
	231 19	David S. Hoadley, Berlin, O. 10 pcs. Black Bombasin, 250 yds. @ \$1.10 \$285.00 20 pcs. Duck, 710 " 20c. 142.00 Note @ 3 months.			527	
		8				
R.	1066	J. D. Hinde & Co., Cincinnati. 1 bale Stark Brown Sheetings, 829 yds. @ 10c. \$82.90 1 bale 4-4 Shaker Flannel, 237' " 50c. 118.75 12 pcs. Green Vell Barege, 300 " 25c. 75.00 1 case Solid Check Gingham, 2394 " 48c. 430.92 Note @ 3 months.			752	57
		Amounts forward,	739	63	2712	46

SALES BOOK,—SET. V.

NEW YORK AUGUST 10, 1880.

		Amounts forward,	739	63	2713	46		
		Geo. A. Crocker,	Rochester,					
A. T.	506	5 cases Columbian Prints,						
A. S.	587	988 2120"						
X	351	659 1913"						
	341	1935						
A. C.	411	1886"						
		1742 2808 yds. @ 10c. \$290.20						
		5 % off, 42.05	912	75				
		Received Cash.						
		15						
		Wm. H. Woodbury,	Chicago, Ill.					
M.	481	4 cases Harop Prints,						
C.	491	246 1831"						
M.	509	1262 1881"						
M.	97	1108 1929						
		1276 1715" 5851 yds. @ 12c. \$702.12						
		2 bales Brown Globe Drills,						
		1141 1082"						
		1147 1029 2061" yds. @ 10c. 206.17			908	29		
		Note @ 3 months.						
		17						
		C. C. Jones,	Peoria, Ill.					
		1 case Paper Cambrics, 2000 yds. @ 10c. \$200.00						
L. C. P.	8	21 pairs White Blankets, @ \$2.65 76.25						
	197	17 pcs. Black Satinet, 469 yds. @ 75c. 331.75						
	19	17 pcs. Duck, 662 @ 30c. 122.40						
A. B.		1 case Cottonades, 487' @ 27c. 122.52			945	94		
		Note @ 3 months.						
		20						
		Paul Roberts,	Buffalo, N. Y.					
		9 cases Cotton Damask, 4880 yds. @ 30c. \$292.00						
		5 % off, 42.40	923	40				
		Received Cash.						
		25						
		M. Tompkins & Co.,	Lacalle, Ill.					
		90 doz. Ladies' Lisle Gauntlets, @ \$5 450.00						
		5 " Kid Gloves, @ \$7 35.00						
		485.00						
		5 % off, 24.25	460	75				
		Received Cash.						
		C. J. Dietrich,	Bellefontaine, Ind.					
		1 case Linsey, 1266 yds. @ 30c. \$332.20						
		1 case Corset Jeans, 1498 " 10c. 149.80			402	50		
		Note @ 3 months.						
		Amounts forward,	3036	53	4962	19		

SALES BOOK,—SET V.

NEW YORK, AUGUST 25, 1860.

		Amounts forward,		3036	53	4969	19
		Baldwin & Co.,	Cleveland, O.				
239	8615	55 pa. Prints, 812	1845'				
	9426	52 " 817	1808'				
	9737	54 " 814	1870'	5519 yds.	@ 12c.	717	47
		Note @ 6 months.					
		27					
		Ubadell, Pierson & Co.,	St. Louis,				
U.F. & Co.	29	604 pa. Mohair Mixtures,	2996 @ 15c.	\$449.40			
	30	602 " "	2969 @ 14c.	415.66			
	31	602 " "	2973 @ 14c.	416.22			
	32	602 " "	2965 @ 14c.	415.10			
	33	602 " "	2966 @ 14c.	415.24			
	34	602 " "	2965' @ 14c.	415.17			
	35	602 pc. Fine M. Mixtures,	2877' @ 27c.	776.92	3303	71	
		Note @ 6 months.					
		28					
		Raymond & Co.,	Cleveland,				
674	18	4 pa. White Piques,	75' @ \$1.00	\$75.25			
	19	1 " "	15 @ \$1.25	18.75			
	20	8 pa. Welts,	158 @ .40c.	63.20			
	54	602 pa. Lavelles,	3028' @ .16c.	484.52	641	73	
		Note @ 6 months.					
		30					
		Jonas Stratton,	Amherst, O.				
	62	1 doz. Men's Nevi Silk Shirts,	@ \$20	\$10			
	120	1 " "	"	25			
	66	1 " "	"	30			
	68	1 " "	"	35			
	211	56 Printed Jaconets "	"	168			
	212	54 " "	"	2.50	189	457	
		Note @ 6 months.					
		Sales on time,					
		Sales for cash, entered here and posted from C. B.		3036	53	10089	00
		Petty sales entered alone on C. B.,		1122	77	4159	30
		Total sales for the month,				14248	30

CASH BOOK,—

This is the most convenient form for a Cash-Book to be kept in connection with a general merchandise business; the feature of *special columns* may be extended, if desirable. It will be seen that *all* cash entries, debit and credit, are taken to the Ledger, either through the Journal or directly, from this book, together with all accounts producing or costing cash. The amounts distinguished as "per petty Cash-Book," are entered here from a book contain-

Dr.		Cash.		Mds.		Sundries.		Balances.	
1880									
July	1		Amount on hand					6725	20
	1	✓	Mds. Sales, per petty Cash-Book	97	50				
	1		J. H. Lewis Received on %			500			
	3	✓	Mds. Sales, per petty Cash-Book	125					
	5	✓	Loan Return from J. E. Jenkins			1000			
	6	✓	J. H. Lewis Received in full of %			1200			
	8		Mds. Sales, per petty Cash-Book	157					
	10		Mds. Sold W. P. Pratt, Cin'tl, (S. B.)	714	28				
	11	✓	W. Pennel In full of %			483	50		
	12		Mds. Sold C. Claghorn, Illinois, (S. B.)	433	12				
	14	✓	Bills Rec'ble John Gundry's note due			1580			
	15		Mds. Sales, per petty Cash-Book	115	75				
	18	✓	Bills Rec'ble S. S. Pomroy's note discounted			1000			
	21		Mds. Sales, per petty Cash-Book	127	50				
	25	✓	Bills Rec'ble Starr & Co.'s note discounted			1425	48		
	25		Mds. Sold Bidwell & Co., Adrian (S. B.)	400					
	27		Mds. Sales, per petty Cash-Book	275					
	30		Mds. Sales, per petty Cash-Book	88					
	31	✓	R. Barker Rec'd in full of %			1000			
			Mds. Sales for Cash	2028	15	8188	98		
						2528	15		
			Total Cash received during month			10717	13	10717	13
								17442	33
								6013	06
Aug	1		Balance on hand						
	3		Mds. Sold C. R. Caulkins, Del., (S. B.)	739	63				
	3		Mds. Sales, per petty Cash-Book	89	27				
	5	✓	Interest Discount on note favor G. A. C.			19	41		
	6	✓	Bills Rec'ble Disc. O. C. & E. C. Wright's note			1432	80		
	7		Mds. Sales, per petty Cash-Book	150					
	10		Mds. Sold Geo. A. Crocker, per S. B.	912	75				
	12		Mds. Sales, per petty Cash-Book	218	50				
	17		Mds. Sales, per petty Cash-Book	375					
	20		Mds. Sold Paul Roberts, per S. B.	923	40				
	23		Mds. Sales, per petty Cash-Book	175					
	25	✓	Bills Rec'ble Discounted C. G. Jones's note			945	94		
	25		Mds. Sold M. Tompkins, per S. B.	400	75				
	31		Mds. Sales, per petty Cash-Book	115					
			Mds. Sales for Cash	4159	30	2398	24		
						4159	30	6557	54
			Total Cash rec'd during month			6557	54	13170	60

SET V.

ing sales too insignificant to be entered on the regular Sales Book. The column headed "Balances," will be found very convenient for the purposes for which it is used. The Check-marks, in the column following dates, are made to indicate that the amounts opposite in the "Sundries" column have been journalized. Were these amounts posted directly to the Ledger, the Ledger-page would be written instead of the Check-marks.

Cash.

Cr.

					Mdse.	Sundries
1860	July	1	Mdse.	Paid duties, per Foreign I. B.	300	61
		1	Mdse.	Olmstead's Invoice, per Dom. I. B.	1303	76
		3	✓ Expense	Francis & Loutrel's Stationery Bill		16 75
		3	✓ Loan	Lent J. E. Jenkins for one day		1000
		5	✓ Expense	Postage Stamps, \$3; Drayage, \$5		8
		5	✓ S. S. Packard	Paid him on Private %		100
		7	✓ Richard Beale	Paid him in full of %		185
		10	Mdse.	Duties, as per Foreign I. B.	44	21
		10	Mdse.	Claffin, Mollen & Co.'s Inv., per Dom. I. B.	2312	52
		12	✓ Expense	Drayage and Portage		55
		15	Mdse.	Duties, as per Foreign I. B.	46	80
		18	✓ Interest	Discount on Pomeroy's note		16 92
		20	✓ J. T. Calkins	On Private %		150
		23	✓ Bills Payable	Note favor H. G. Smith due		4000
		25	Mdse.	Duties, per Foreign I. B.	105	63
		25	Mdse.	A. T. Stewart & Co.'s Invoice, per Dom. I. B.	893	63
		25	✓ Expense	Clerk hire, \$40; \$25		65
		25	✓ Interest	Discount on Starr & Co.'s note		50 44
		29	✓ D. V. Bell	On private %		175
					5007	16 5822 11
				Mdse. purchased for Cash		5007 16
				Total Cash paid out during the month		10829 27
				Balance on hand		4218 08
						17442 33
	Aug	1	✓ Expense	Paid Drayage, \$10; Postage, \$7.50		17 50
		2	✓ Loan	Lent J. H. Tobitt		500
		5	✓ Bills Payable	Discounted Note favor Geo. A. Crocker		1426
		6	✓ Interest	Discount on O. C. & E. C. W.'s note		49 60
		10	Mdse.	Duties, as per Foreign I. B.	276	38
		12	✓ Expense	Paid Drayage, on %		100
		15	✓ J. C. Bryant	Paid on private %		150
		20	Mdse.	Duties, as per Foreign I. B.	45	27
		20	Mdse.	Bot. of Grinnell, M. & Co., per Dom. I. B.	1492	58
		25	✓ Expense	Portage, \$5; Postage, \$3; Charity, \$5		13
		25	✓ Interest	Discount on G. C. Jones' note		32 19
		31	✓ Expense	Paid Drayage in full		50 75
					1814	23 2339 04
				Mdse. purchased for Cash		1814 23
				Total Cash paid for the month		4153 37
				Balance on hand		9017 30
						13170 60

BILL BOOK,—SET V.

The Bill Book can never, with advantage, be made a *principal* book, from which to post; although some authors have attempted so to use it. The form presented below is the best for general purposes, although the arrangement in the former example is more comprehensive

Bills Receivable.

No.	When Rec'd.	Drawer or Endorser.	Drawee or Maker.	Date.	Time.	When Due.	Amount.	When and How Disposed of.		
1	July 1	H. W. Ellsworth	John Gundry . .	1880 Jan. 11	6 mo.	1880 July 14	\$ 1090 00	July 14	Paid.	
2	" 1	Daniel Atwood	B. B. Pomroy . .	Mar. 12	6 mo.	Nov. 15 1881	1000 00	" 15	Disc'd.	
3	" 1	P. B. & Co. . .	Gordon Bailey . .	July 1	6 mo.	Mar. 4	891 25			
4	" 1	H. B. Bryant . .	Ira Packard . .	" 1	6 mo.	Jan. 4	278 50			
5	" 5	Paul Roberts . .	Hiram Newell . .	" 5	6 mo.	" 8	897 54			
6	" 10	H. D. Stratton . .	Baldwin, L. & Co. .	" 10	6 mo.	Mar. 12	869 38			
7	" 15	P. B. & Co. . .	E. Mussey & Co. .	" 15	6 mo.	" 18	923 25			
8	" 20	J. G. Reid . . .	Starr & Co. . . .	" 20	6 mo.	Jan. 23	1435 48	July 25	Disc'd.	
9	" 22	Jno. D. Hinde . .	Murray, S. & Co. .	" 22	6 mo.	" 25	1440 14			
10	" 22	Wm. P. Eaton . .	E. C. Packard . .	" 22	6 mo.	Mar. 21	171 04			
11	Aug. 1	James Atwater . .	O. C. & E. C. Wright	Aug. 1	6 mo.	Feb. 4	1482 80	Aug. 8	Disc'd.	
12	" 5	P. B. & Co. . .	David S. Hoadley . .	" 5	6 mo.	April 8	527 00			
13	" 8	do . . .	J. D. Hinde & Co. .	" 8	6 mo.	" 11	752 47			
14	" 15	J. O. Eaton . .	W. H. Woodbury . .	" 15	6 mo.	" 18	906 20			
15	" 17	P. B. & Co. . .	O. C. Jones . . .	" 17	6 mo.	Feb. 20	943 94	Aug. 25	Disc'd.	
16	" 25	do . . .	C. J. Dietrich . .	" 25	6 mo.	Apr. 28	402 50			
17	" 25	do . . .	Baldwin & Co. . .	" 25	6 mo.	" 28	717 47			
18	" 27	do . . .	Ursdell, P. & Co. .	" 27	6 mo.	" 30	2308 71			
19	" 28	do . . .	Raymond & Co. . .	" 28	6 mo.	May 1	641 72			
20	" 30	do . . .	Jonas Stratton . .	" 30	6 mo.	" 3	457 00			

Bills Payable.

No.	When Issued.	Drawer or Endorser.	Drawee or Maker.	Date.	Time.	When Due.	Amount.	When and How Redeemed.		
1	Jan. 20	H. G. Smith & Co.	P. B. & Co. . . .	Jan. 20	6 mo.	1880 July 23	\$ 4000 00	July 23	Paid.	
2	Mar. 1	A. S. Prentiss . .	do . . .	Feb. 26	6 mo.	Oct. 29	2500 00			
3	Apr. 12	Geo. A. Grocher . .	do . . .	Apr. 12	6 mo.	Oct. 15	1422 00	Aug. 8	Disc'd.	
4	July 5	G. Y. Spalding . .	do . . .	July 5	6 mo.	Nov. 6	558 57			
5	" 10	J. Walker . . .	do . . .	" 10	6 mo.	Mar. 12	1008 64			
6	" 20	E. Lambert & Co. .	do . . .	" 20	6 mo.	" 23	840 72			
7	Aug. .	W. G. Hunt . . .	do . . .	Aug. 10	6 mo.	Apr. 12	708 40			
8	" .	Arnold & Co. . .	do . . .	" 20	6 mo.	" 23	1998 14			

INVENTORY BOOK

INVENTORY BOOK.

This book is used to enumerate the different articles of unsold merchandise, at such times as may be deemed desirable. It is, in this instance, purely an auxiliary, the amount of merchandise on hand being included in the opening journal entry. Inventories are frequently copied into one of the Invoice Books; but a separate book is preferable.

Merch. on hand, July 1, 1860.

Merch.	No.		Yds.	Price.	Amount.
◇ R.	49	1 case Prints	1005	.10	100 50
H. M.		60 pieces Doeskin	1842	1.35	2486 70
◇		1 bale Brown Sheetings	503	.11	61 98
◇ B.	192	1 case Black Tabby Velvet	796	.26	212 98
L. ◇ B.	1	1 case Paper Cambrics	2000	.00	125
B.	8	21 pairs White Blankets		3.43	72 03
		1 bale Denims	569	.10	59 74
		41 pcs. Blk and Wht Tweeds	1369	.25	342 37
	1079 1080 1080	3 pcs. Blk Doeskin	70	.92	64 75
		21 " Fancy Cassimeres	570	.00	345 75
		17 " Blk Satinet	469	.52	240 22
Y. ◇ W.	197	1 case Printed Jaconets	2010	.12	251 25
◇ F.		1 " Woolen Shawls	60	4.89	293 40
	231	26 pcs. Blk Bombasin	900	.87	787 50
	19	37 " Duck	1392	.15	208 80
		2 bales Blk Wadding doz.	80	.22	17 60
	1289	110 Robes		1.50	165
A. B.		1 case Cottonades	687	.22	154 63
R. & X.		10 cases Cotton Damask	5400	.16	864
	62	150 doz. Gent's Linen 11dkfa		4.50	675
M.		150 pcs. Diaper		.90	135
A. S.		50 1/2 Blay Linens	1931	.17	328 35
B.		1 case Delaines	1300	.25	325
	190	1 " Blk Alpaca	910	.27	250 25
	4	1 " Opera Flannel	750	.37	281 25
	3024	1 " D. Bege	864	.11	95 04
		100 doz. Men's Gloves		2.50	250
		140 " Ladies' Lisle Gauntlets		4.46	624 40
		5 " Kid Gloves		6.25	31 25
		1 bale Stark Brown Sheetings	820	.08	70 46
	130	1 " 4-4 Shaker Flannel	337	.45	151 88
		12 pcs. Green Veil Barege	200	.29	58
	1006	1 case Solid Check Gingham	2394	.14	335 16
		25 pcs. Coburgs	525	.50	262 50
		1 case Silicia	2200	.00	203 50
	4595	1 " Lincys	1206	.17	221 64
		1 " Corset Jeans	1725	.06	103 51
◇ E. S.		1 bale Eagle Ticks	700	.11	80 50
					11432 84

JOURNAL,—SET V.

NEW YORK, JULY 1, 1860.

Sundries		To Sundries		Resources and Liabilities of S. S. Packard, D. V. Bell, J. C. Bryant, and J. T. Calkins, partners in the firm of "Packard, Bell & Co.," doing a general Jobbing and Import- ing business in the City of New York; as taken from the Balance Sheet of their last Ledger:	
Cash	Amount on hand, per Cash Book	6725	30		
Merchandise	" " Inventory Book	11482	84		
Bills Receivable	Notes on hand, per Bill Book	2580			
Store Rent	Advance payment for rent	2000			
John Lewis	Balance of %	1700			
Robert Barker	" "	1000			
William Pennel	" "	483	50		
To Bills Payable	Notes outstanding, per Bill Book				8926
" R. P. Beale	Balance of %				185
" S. S. Packard	Net Investment				4202 63
" D. V. Bell	" "				4202 63
" J. C. Bryant	" "				4202 64
" J. T. Calkins	" "				4202 64
31					
Merchandise	To Sundries	4381	10		
To Bills Payable	For the following Invoices per Dom. I. R.:				
	From C. F. Spalding, July 5,	\$553.57			
	" J. Walker & Co. " 10,	1006.64			
	" E. Lambert & Co. " 20,	660.78			
				2220	94
To S. B. Higgins	Invoice of July 1, per For. I. R.			1252	55
" Johnson, Q. & Co.	" 10, "			221	11
" A. & J. Bailey	" 15, "			246	36
" S. T. Horton	" 25, "			440	14
"					
Bills Receivable	To Merchandise	6711	70		
	Sales for the month, per Sales Book:				
	Gordon Bailey, July 1,	\$891.35			
	Ira Packard, " 1,	273.52			
	Hiram Newell, " 5,	697.54			
	Baldwin, L. & Co. " 10,	869.38			
	E. Mussey & Co. " 15,	923.25			
	Starr & Co. " 20,	1435.48			
	M. Shipley & Co. " 22,	1460.14			
	Edwin C. Packard " 28,	171.04			
				6711	70.
"					
Cash	To Sundries	10717	13		
	Receipts per Cash Book:				
	Total Sales for Cash			2528	15
	Rec'd on %, \$500; \$1200			1700	
	Return from J. E. Jenkins			1000	
	In full of %			483	50
	Rec'd on Notes, \$1580; \$1000; \$1425.48			4005	48
	In full of %			1000	
		47731	47	47731	47

JOURNAL,—SET V.

NEW YORK, JULY 31, 1860.

	Sundries	To Cash		10829	27
		Disbursements per Cash Book:			
	Mdse.	Purchases, etc., for Cash	5007	16	
	Expense	As per Items, \$16.75; \$8; \$35; \$55	144	75	
	Loan	Lent J. E. Jenkins	1000		
	S. S. Packard	Paid on private %	100		
	Richard Beale	In full of %	185		
	Interest	Per Items, \$16.92; \$50.44	67	36	
	J. T. Calkins	Paid on private %	150		
	Bills Payable	Redeemed note favor J. H. Smith	4000		
	D. V. Ball	Paid on private %	175		
		Aug. 31			
	Mdse.	To Sundries	4277	80	
	To Bills Payable	Invoices per Dom. I. R.			
		From Wilson G. Hunt, Aug. 10, \$708.40			
		" Arnold & C. " 30, 1926.14			2634 54
	" Wm. Thornton	Invoice of Aug. 10, per F. I. R.			1454 64
	" J. Muir & Sons	" " 30, "			188 63
		"			
	Bills Re-ble	To Mdse.	10089	00	
		Sales for the month, as per Sales Book:			
		O. C. & E. C. Wright, Aug. 1, \$1452.89			
		David S. Hoadley, " 5, 527.00			
		J. D. Hinde & Co., " 5, 752.57			
		Wm. H. Woodbury, " 15, 906.19			
		C. C. Jones, " 17, 945.94			
		C. J. Detrich, " 20, 402.50			
		Baldwin & Co., " 23, 717.47			
		Ubedell, Pierson & Co. " 27, 2303.71			
		Raymond & Co., " 28, 641.72			
		Jonas Stratton, " 30, 447.00			10069 09
		"			
	Cash	To Sundries	6557	54	
		Receipts, per Cash Book:			
	To Mdse.	Total Sales for Cash			4159 30
	" Interest	Discount on note favor G. A. C.			19 41
	" Bills Rec'ble	Received on notes, \$1452.89; \$945.94			2378 83
		"			
	Sundries	To Cash			4153 27
		Disbursements, per Cash Book:			
	Mdse.	Purchases, etc., for Cash	1814	23	
	Expense	Per Items, \$17.50; \$100; \$13; \$50.75	181	25	
	Loan	Lent J. H. Tobitt	500		
	Bills Payable	Discounted note favor G. A. C.	1426		
	Interest	Per Items, \$49.60; \$32.19	61	79	
	J. C. Bryant	Paid on private %	150		
			35906	97	35906 97

PACKARD, BELL & CO.'S BALANCE SHEET—SET V.

[illegible]

QUESTIONS FOR REVIEW.

QUESTIONS FOR REVIEW,—SETS IV. AND V.

REMARKS.—PAGE 78.

1. What are the peculiar characteristics of Set IV? 2. What advantage does the Day-Book in Journal form have over the Historical Day-Book? 3. What objection can be urged against it? 4. What is meant by "Merchandise Companies"? 5. In what particulars does this species of copartnership differ from general copartnership? 6. Wherein do the two methods of keeping Mdee. Co. accounts, as shown in this set differ? 7. What is the principle recognized in the first method? 8. What in the second method? 9. Give an illustration of each. 10. By the first method, when more than two parties are interested, what entry should the consignee make on receipt of the property to be sold on joint %? 11. What the consignee upon shipping the property? 12. What the other parties? 13. By the second method when three or more parties are interested, what entry will the consignee make on receiving property to be sold on joint %? 14. What the consignor? 15. What the other parties? 16. Is there any difference in the final result by these separate methods? 17. When is the consignee considered responsible by the first method? 18. When, by the second? 19. Which method is absolutely correct? 20. What advantage has the other? 21. Are Mdee. Co. %'s to be classified as *Real* or *Representative*? 22. How may they be made *Real*? 23. How *Representative*? 24. What different method of closing the Ledger is shown in Set IV? 25. Is there any necessity for a Balance account? 26. How can its place be filled? 27. What is the usual entry in bringing down balances of resources and liabilities? 28. What is the advantage of using auxiliary books? 29. Can special books of entry be so used as to dispense with the Journal?

BALANCE SHEETS, AND AUXILIARIES.—PAGES 101 AND 104.

30. Explain the method of ruling the Balance Sheet. 31. What advantages has this form over any other in use? 32. What objection may be urged against a multiplicity of auxiliary books? 33. How is this objection removed in large establishments? 34. What are the essential points in a good business letter? 35. Can a sufficient knowledge of business correspondence be learnt from models?

REMARKS ON SET V.—PAGE 128.

36. What species of business is represented by this set? 37. What is its peculiar feature? 38. Has this method any advantages over that of consecutive entries, hitherto exhibited in this work? 39. Wherein do such advantages consist? 40. What difficulty lies in the way of using the various books of original entries as principal books, from which to post or journalize? 41. What should the Cash-Book show? 42. How is it made to show all receipts and disbursements? 43. What will the difference between the two sides of the Cash-Book represent? 44. When cash is debited on the Cash-Book, what is credited? 45. In every entry made on either side of the Cash-Book really a double entry? 46. What would be a proper caption for the debit side of the Cash-Book? 47. What for the credit side? 48. What credits are shown on the debit side of the Cash-Book? 49. What debits on the credit side? 50. Does the same principle hold with reference to the Sales Book and Invoice Books? 51. Will you now state the difficulty likely to occur in transactions required to be entered in two of these books? 52. If the peculiar rights of each book is respected, will it be proper to post cash from the Sales or Invoice Book, or merchandise from the Cash-Book? 53. What would be the effect of such posting? 54. How many methods are there of avoiding this difficulty? 55. What is the first? 56. What the second? 57. Which of these two methods is preferable? 58. Which is adopted in this Set? 59. What does the Inventory Book in this Set contain, and how is it used? 60. What does the Domestic Invoice Book contain? 61. What entries are passed to the Ledger from this book? 62. What does the Foreign Invoice Book contain? 63. The Sales Book? 64. With what will the total credit of Merchandise account for the month agree? 65. Will you explain the characteristics and use of the Cash-Book? 66. Are all the debits and credits appearing on the Cash-Book posted? 67. What amounts are entered in the "Sundries" column? 68. How are these amounts posted? 69. What does the check-mark, opposite these amounts denote? 70. What would be written instead of the check-mark were the amounts posted directly from the Cash-Book? 71. Can the BUI Book be used to advantage as a principal book?

AKKADIA

**SINGLE ENTRY
CHANGED TO DOUBLE ENTRY,
WITH AMPLE ILLUSTRATIONS AND EXPLANATIONS.**

EMBRACING

**TWO DISTINCT SETS OF BOOKS BY SINGLE ENTRY,
ONE REPRESENTING THE BUSINESS OF A RETAIL MERCHANT AND THE OTHER THAT OF
A BUILDER, BOTH OF WHICH ARE**

CHANGED TO DOUBLE ENTRY, AND THE BUSINESS CONTINUED.

**IN THE LATTER SET A DISSOLUTION OF CO-PARTNERSHIP TAKES PLACE, AND THE STUDENT IS REQUIRED
TO WRITE UP ORIGINAL TRANSACTIONS TO COMPLETE THE SET.**

CHANGING SINGLE, TO DOUBLE ENTRY.

CHANGING SINGLE, TO DOUBLE ENTRY.

We have, so far, omitted any special instruction in Single Entry Book-keeping for the reasons, first, that we desired not to distract the mind from the more important considerations bearing upon the science of Accounts, and secondly, that we deemed it much more easy to explain the characteristic features of Single Entry, to one thoroughly familiar with the principles of Double Entry.

We have distinguished Double Entry Book-keeping as the "science of Accounts," because its theory rests on scientific principles, and its work is susceptible of scientific analysis. Single Entry, although, by no means, devoid of excellences as a system, cannot properly be called a science. It is, however, the *beginning* of a science; bearing about the same relation to Double Entry that the three terms of a compound ratio do to the proportion fully expressed.

We are not among the number who can see no merit in a system that does not square in all respects with our notions of symmetry and perfectness; and we are, therefore, quite ready to accord to Single Entry Book-keeping, all the merits it may possess. But the chief difficulty in the matter is to decide upon the fact and extent of Single Entry; and this difficulty becomes the more intense the more we seek its solution by any standard afforded in actual business. While all scientific accountants by Double Entry must agree as to the necessity of equal debits and credits—no matter through what forms expressed, Single Entry accountants differ in this regard, according to the amount of light they may have, or the condition of the precedents which they follow. Thus, while some would represent on the Ledger only accounts with individuals, others who have had the ingenuity to concoct, or the good sense to observe, find an advantage in dealing in the same manner with the other various kinds of resources and liabilities. This is, sometimes, carried so far by intelligent accountants that, although without any suspicion on their part, their books will be found to contain nearly all the requisites of Double Entry. It is from this fact that we find it difficult adequately to define Single Entry.

The term "Single Entry," as distinct from "Double Entry," has reference more particularly to the fact, that for every separate Day Book entry but one posting is made to the Ledger; but to what extent these single Day Book entries shall be carried, or how much real information contain, has never yet been decided by authors, teachers, or business men. It is usually understood, however, that the difference in the two systems consists mainly in the fact that while the Single Entry Ledger contains only accounts with *persons*, Double Entry deals also, and in like manner, with *property* and *causes*.

We have shown in the previous lectures that Double Entry Book-keeping, or the "Science of Accounts," comprises a *perfect* and continual record of resources and liabilities; and we may now say, contradistinctively, that Single Entry comprises an *imperfect* record of resources and liabilities; or, rather, a record of only a *portion* of them. Whenever this deficiency is supplied the requisitions of Double Entry are met. Therefore,

To CONVERT SINGLE, TO DOUBLE ENTRY BOOKS, open such additional accounts in the Ledger as are necessary to exhibit the entire resources and liabilities of the concern.

If accounts have been previously opened with the partners, or an account with Stock, as the case may be, representing investments and sums withdrawn, it will, of course, be necessary first to carry the gain or loss of the business to those accounts, as a perfect record of resources and liabilities cannot otherwise be made. The method of ascertaining such gain or loss will be shown in the succeeding statement.

CHANGING SINGLE, TO DOUBLE ENTRY.

It will thus be seen that Double Entry is but a continuation of Single Entry; traveling with it hand in hand, as far as it goes, but carrying out its principles to their full symmetry and perfection. Those who array formal objections against the practice of Double Entry, on account of its intricacy, its additional labor, or its departure in any sense, from the recognized principles of debits and credits as practised in Single Entry, evidently do not know of what they speak. In changing a set of books from Single to Double Entry, it is not necessary to disturb any account already opened in the Ledger, nor to keep any such account differently thereafter. This fact will be clearly shown in the illustrations given.

In the exercises which follow, we have, first, a set of Single Entry Books, comprising a Cash Book, Day Book, and Ledger. The Cash Book is for the same purpose, and kept somewhat upon the same principle as the Double Entry Cash Book, the only difference being in the form of recording entries. As we neither journalize nor post from the Single Entry Cash Book, it is not necessary to specify Ledger titles, as in Double Entry; the object of the Single Entry Cash Book being simply to complete the record of transactions omitted in the Day Book, and to keep the necessary check upon receipts and disbursements of cash.

It is also customary, in connection with Single Entry Books, to keep a Bill Book, for the purpose of recording Bills Receivable and Bills Payable. If, in addition to these, we should keep an Invoice Book and a Sales Book, either separate or together, for the purpose of recording purchases and sales of merchandise, we should embrace nearly all the requisites of Double Entry; the chief difference being that instead of showing the entire result upon the Ledger, we divide the honor among these various auxiliaries.

In the illustrations given we have shown first, a Single Entry Ledger, containing only personal accounts, and next, the additional accounts necessary to constitute a Double Entry Ledger. In the student's manuscript these two parts will, of course, be united, forming together a Double Entry Ledger, fulfilling the requisites of equal debits and credits, and, consequently, equal resources and liabilities. The intervening statement preparatory to changing, should be closely examined, and thoroughly understood.

The memoranda of transactions following, are intended, of course, to be regularly written up and posted to the Ledger as changed; and the general results exhibited according to the principles already laid down.

To one who fully appreciates the advantages of Double Entry, no argument nor illustration will be necessary to enforce its entire superiority over any other system, notwithstanding the crude notions sometimes expressed by those whose very position should render ignorance on so vital a point, inexcusable; but it should, nevertheless, be the aim of every intelligent accountant to place himself beyond the pale of prejudice, and let him not insist, because he esteems his own way best, that there can be no merit in any other.

It is but natural that men who have, for a lifetime been familiar with a certain routine of transactions, expressed through a certain medium, should become unalterably attached to both, and should look with jealousy upon any thing savoring of innovation. It is the duty of the accountant, who acts simply as such, to humor prejudices of this kind, rather than abuse them, and thus show his own superiority, by making even inadequate forms convey more substantial and extended information than their friends and advocates have claimed for them.

The chief advantages of Double, over Single Entry, consist, first, in the security afforded by the Trial Balance test and next, in designating the particular channels through which gains and losses come. The fact of gains and losses, and the exact amount of either can be as well ascertained by Single Entry, provided we have the means of knowing that the work is correct.

CASH BOOK,—SINGLE ENTRY.

1860.

Receipts.

Jan.	1	James Mason's Investment	3000	
	1	Robert Walker's Investment	1000	
	3	John Simmons,—Coat, \$20; Pants, \$9.50; Vest, \$7	36	50
	3	Joseph Kinsey, on %	15	
	3	Miscellaneous Sales, per tickets	58	25
	7	W. H. Beebe,—Overcoat, \$35; Vest, \$7.50; Cravat, \$1.50	44	
	5	Miscellaneous Sales, per tickets	39	63
	7	John Mason, Invoice ready-made Clothing	175	
			4368	38
	9	Balance on hand	4156	38
	9	Robert Hall,—6 yards blue Broadcloth, @ \$5	30	
	10	Wm. H. Joeckel,—Business Suit	23	
	12	Bill of Goods ordered by P. T. Barnum	350	
	13	1 doz. Hdks. \$3; 3 doz. Cravats, \$30; 2 doz. Collars, \$5	38	
	15	A. B. Butts,—Dress Suit	40	
	15	Miscellaneous Sales, this week, per tickets	450	
			5087	38
	16	Balance on hand	5003	63
	16	Bill of Goods to P. Evans, Cincinnati	375	
	17	3 doz. Cravats, \$40; 5 doz. standing Collars, \$13.50	53	50
	20	Assortment ready-made Clothing,—J. Allen, Pittsburg	500	
	22	Miscellaneous Sales for the week, per tickets	878	95
			6311	08
	23	Balance on hand	6175	58
	23	2 doz. Cravats, \$30; 6 Vest patterns, \$35	65	
	25	1 pair Pants, \$9; 1 dress Coat, \$25; 1 Cravat, \$1.50	35	50
	25	Bill of ready-made Clothing—C. S. Sill, Troy	175	
	27	6 doz. Hdks., \$20; 8 doz. French Yoke Shirts, \$170	190	
	27	Ira Packard,—Dress Suit	30	50
	30	Miscellaneous Sales, this week, per tickets	322	15
			6990	73
	31	Balance on hand	6834	73

CASH BOOK,—SINGLE ENTRY.

1880.

Disbursements.

000		Jan 3	Stationery, \$10; Painting and Cleaning, \$15	25	
000		7	Seamstress's wages, \$27; Clerk hire, \$10	37	
36	50	7	John Jones, on %	50	
15			<i>Balance on hand</i>		
58	25				
44					
39	63				
175					
108	38			4566	35
56	38				
30		13	Sundry expenses, per Expense Book	15	75
23		17	Seamstress's wages, \$50; Clerk's hire, \$18	68	
50		14	<i>Balance on hand</i>		
38					
40					
50					
87	38			5087	38
03	63				
75		19	Sundry expenses, per Expense Book	12	50
53	50	20	Seamstress's wages, \$75; Clerk hire, \$18	93	
00		21	Office Desk and Chair	30	
78	95	21	<i>Balance on hand</i>		
11	08			6311	08
75	58				
15		25	Sundry expenses, per Expense Book	15	
55	50	30	Seamstress's wages and Clerk hire	75	
75		30	Cutter's wages for the month	75	
00		20	<i>Balance on hand</i>		
40	50				
3	15				
0	73			6909	73
4	73				

SINGLE ENTRY DAY BOOK.

PHILADELPHIA, JAN. 1, 1860.

James Mason and Robert Walker unite in copartnership in a Gentlemen's Furnishing establishment. They invest equally, and share equally in gains and losses.

James Mason,	Cr.	
By Cash invested	\$3000	
" Merchandise, per Inventory	4500	
" Sundry Notes, per B. B.	750	8250

James Mason,	Dr.	
To Balance due John Jones		500

Robert Walker,	Cr.	
By Cash invested	\$1000	
" Store and Fixtures	6750	7750

John Jones,	Cr.	
By amount owing him by J. Mason		500

William Patterson,	Dr.	
To 1 Pair Doeskin Pants	\$ 9	
" 1 Blue Broadcloth Coat	22	
" 1 Figured Satin Vest	7 50	
" 12 Pocket Handkerchiefs, @ 50 c.	6	44 50

Joseph Kinsey,	Dr.	
To 1 doz. Fancy Neckties	\$12	
" 1 1/2 doz. Byron Collars, @ \$3	4 50	
" 6 Vest Patterns, assorted	35	
" 8 yds. Farmer's Satin	6	
" 3 doz. Pairs Gent's Hose	9	66 50

Contra,	Cr.	
By Cash on %		15

James M. Dooley,	Dr.	
To 1 doz. Fine Shirts	\$24	
" 3 " Lamb's Wool Undershirts, @ \$15	45	
" 3 " Pairs Flannel Drawers, @ \$15	45	114

Sumner Packard,	Dr.	
To 3 yds. Fine French Broadcloth, @ \$5	\$15	
" 12 " English Cassimere, @ \$2	24	39

John Jones,	Dr.	
To Cash Paid on %		150

SINGLE ENTRY DAY BOOK.

PHILADELPHIA, JAN. 9, 1860.

James Dunham,	Dr.	
To Wedding Suit, per contract		50
10		
James M. Dooley,	Cr.	
By 10 Tons of the store @ \$5		50
13		
Robert S. Hayward,	Dr.	
To 1 Frock Coat	\$30	
" 1 Dress Coat	20	
" 1 Pair French Cassimere Pants	10	60
14		
Erastus Young,	Dr.	
To Making Dress Coat	\$9	
" " Vest	3	
" Repairing Coat	2	14
16		
Robert S. Hayward,	Cr.	
By his Note @ 30 days to Balance %		65
17		
David T. Fuller,	Dr.	
To 1 Frock Coat	\$30	
" 1 Vest	5 50	
" 1 Overcoat for Master Frank	12	47 50
18		
Charles Claghorn,	Dr.	
To 6 Shirts, (French Yoke), @ \$2.50	\$15	
" 10 Pairs Socks, @ 25 cts.	2 50	
" Drawers and Undershirts, 2 each, \$1. 25	5	23 50
20		
Henry Dwight,	Dr.	
To Frock and Pants for Master Silas		10
21		
Schuyler Corbitt,	Dr.	
To 1 Dress Coat	\$23	
" 2 Neck Ties	3	
" 6 Pocket Handkerchiefs	1 50	27 50
25		
Wilson G. Hunt & Co.	Cr.	
By Bill of Cloth, per Invoice		375
30		
Henry Shift,	Dr.	
To 1 Pair Pants	\$9	
" 1 Dress Coat	25	34

LEDGER,—SINGLE ENTRY.

Dr.	James Mason.		Cr.
1860		1860	
Jan. 1	To Balance Due J. J.	Jan. 1	By Investment
	1 500		" 1/2 net gain
			1 5250
			661 61

Dr.	Robert Walker.		Cr.
		1860	
		Jan. 1	By Investment
			" 1/2 net gain
			1 7750
			661 63

Dr.	John Jones.		Cr.
1860		1860	
Jan. 7	To Cash		By Balance due him
	1 150		500

Dr.	Wm. Patterson.		Cr.
1860			
Jan. 2	To Sundries		
	1 44 50		

Dr.	Joseph Kinsey.		Cr.
1860		1860	
Jan. 3	To Sundries	Jan. 3	By Cash
	1 66 50		1 15

Dr.	James M. Dooley.		Cr.
1860		1860	
Jan. 4	To Sundries	Jan. 10	By 10 Tons Coal
	1 114		1 50

Dr.	Sumner Packard.		Cr.
1860			
Jan. 5	To Sundries		
	1 39		

Dr.	Jabez Dunham.		Cr.
1860			
Jan. 9	To Wedding Sub		
	1 39		

LEDGER,—SINGLE ENTRY.

Dr. Robert S. Hayward. Cr.

1880	Jan. 15	To Sundries	3	65	1880	Jan. 16	By Note @ 30 days	3	65
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Dr. Erastus Young. Cr.

1880	Jan. 14	To Making and Repairing	3	14
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Dr. David T. Fuller. Cr.

1880	Jan. 17	To Sundries	47	50
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Dr. Charles Claghorn. Cr.

1880	Jan. 18	To Sundries	3	22 50
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Dr. Henry Dwight. Cr.

1880	Jan. 20	To Freight and Panta.	3	10
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Dr. Schuyler Corbit. Cr.

1880	Jan. 21	To Sundries	3	27 50
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Dr. Wilson G. Hunt. Cr.

1880	Jan. 25	By Memo.	3	575
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Dr. Henry Shaft. Cr.

1880	Jan. 26	To Sundries	3	34
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PROCESS OF CHANGING.

PROCESS OF CHANGING.

The intelligent learner need not, at this stage, be told that the first requisition in opening a Set of Double Entry Books is a statement of resources and liabilities. This statement is also necessary in Single Entry as often as it is desirable to know the progress or condition of the business; either with a view to apportioning gains and losses, or for any other purpose whatever. In the preceding Ledger we have a systematic record of such of the resources and liabilities as consist of personal accounts,—the remainder must be ascertained from some other source.

Inasmuch as the partners were credited, each for his net investment, we are enabled to know from their accounts what was the original capital. If there be now, either more or less net resources than this original investment, the result will show a gain or loss, as the case may be. If a gain, the partners should, of course, be credited in their proportionate shares; and if a loss, they should be debited. This will, again, equalize the resources and liabilities, and give us sufficient data for a Double Entry Ledger.

To this end we present the following

Preparatory Statement.

Statement of the Resources and Liabilities of James Mason and Robert Walker, who have this day changed their Books from Single to Double Entry.

<i>Resources.</i>			
Personal Accounts Receivable (already posted)	413	50	
Notes Receivable on hand per Bill Book	815		
Cash, per Cash Book	6834	73	
Merchandise, per Inventory	2175		
Store and Fixtures, per cost	6750	17788	23
<i>Liabilities.</i>			
Personal Accounts Payable (already posted)	925		
James Mason, Net Investment	7750		
Robert Walker, "	7750	16425	
Total net gain in business		1363	23
James Mason's $\frac{1}{2}$	\$681.01		
Robert Walker's $\frac{1}{2}$	681.02		

From this schedule it will be evident that when the above resources and liabilities are duly entered upon the Ledger—the resources to the debit, and the liabilities to the credit of the accounts representing them—they will lack just the amount of net gain (\$1363.23) of balancing. If this amount, then, be entered to the credit of the partners, where it properly belongs, and the additional accounts opened, we shall have the commencement of a Double Entry Ledger.

We now complete this process, crediting the partners each for his $\frac{1}{2}$ gain, and opening accounts in the extended Ledger with the additional resources: Bills Receivable, Cash, Merchandise and Store and Fixtures. These four new accounts constitute the "change," and will serve, very clearly, to show the exact difference in the two systems, so far as the Ledger is concerned.

LEDGER,—DOUBLE ENTRY.

Dr. Bills Receivable. Cr.

1900
Jan. 31 Notes on hand.

815

Dr. Cash. Cr.

800
Jan. 31 On hand

6834 73

Dr. Merchandise. Cr.

1900
Jan. 31 On hand

2975

Dr. Store and Fixtures. Cr.

1900
Jan. 31 Valuation.

6750

It is always proper before commencing the current record of business in Double Entry Books, to ascertain if the Ledger balances. With this view we submit the following.

Trial Balance.

BALANCE.

FACE OF LEDGER.

Dr.	Cr.		Dr.	Cr.
	8431 61	James Mason	500	8931 61
	8431 03	Robert Walker		8431 03
	350	John Jones	150	500
44 50		Wm. Patterson	44 50	
51 50		Joseph Kinsey	08 50	15
64		James M. Dooley	114	50
39		Sumner Packard	39	
59		Jabez Dunham	59	
14		Erastus Young	14	
47 50		David T. Fuller	47 50	
23 50		Charles Chagborn	23 50	
10		Henry Dwight	10	
27 50		Schuyler Corbit	27 50	
	575	Wilson G. Hunt		575
34		Henry Shatt	34	
815		Bills Receivable	815	
6834 73		Cash	6834 73	
2975		Merchandise	2975	
6750		Store and Fixtures	6750	
17785 23	17785 23		18503 23	18503 23

The books are now to be continued in Double Entry, from the following transactions.

HISTORICAL DAY BOOK,—DOUBLE ENTRY.
PHILADELPHIA, FEBRUARY 1, 1860.

Sold Robert Milburn for Cash,			
1 doz. Suspenders		\$ 4 50	
4 " Cravats	@ \$15	60	
3 1/2 " French Yoke Shirts (fine)	@ \$30	105	
10 " Standing Collars	@ \$1 50	15	187 50
3			
Received Cash for rent of upper story, one month.			50
"			
Paid Robert Walker Cash on private %			100
3			
Accepted John Jones's draft on us @ 30 days, favor A. B. Butts			350
5			
Bought of Dunham & Brokaw, on our note @ 60 days,			700
Mds., per Invoice			
7			
Sold Wm. Patterson* on %,			
3 doz. Vest Patterns	@ \$50	\$150	
10 yds. Blue Broadcloth	@ \$0	60	
20 yds. French Cassimere	@ \$4	80	290
8			
Received of James M. Dooley, Cash in full of %			64
"			
Paid the following expenses in Cash:			
Clerk hire		\$ 25	
Seamstresses's wages		115	140
10			
Sold R. C. Davis & Co., Albany, on their Note @ 4 months,			500
Mds., per Invoice			
12			
Bought of James Dunham, for the private use of Robert Walker,			
1 Firkin Butter, 100 lbs.	@ 25 cts.	\$25	
1 Bbl. "Seek no Further" Apples		6	
1 do "Cider Vinegar		8	
Paid him per order on Sumner Packard.			50
13			
Received Cash of Joseph Kinsey, in full of %			51 50
15			
Sold Edwin Forrest, on %			
1 Suit Fine Broadcloth			50
17			
Paid Advertising Bill in Cash			75

• Be careful not to open the same account twice.

RY.

HISTORICAL DAY BOOK—DOUBLE ENTRY. PHILADELPHIA, FEBRUARY 20, 1800.

Paid Cash for Insurance of store and contents, $\frac{1}{2}$ % on \$4000.* (Manhattan Insurance Co.)	30
25	
Received Cash of Jabez Dunham, in full of %	50
"	
Paid Expenses of store to date, per Expense Book.	150
26	
Our store and contents were this day consumed by fire:	
Value of Store and Fixtures	\$5000†
Adm on hand	2800
Manhattan Insurance Co. owe us per policy	4000
28	
Received Cash in full for R. S. Hayward's Note, due the 18th inst	65
"	
Received Cash of the following persons:	
Erastus Young, in full of %	\$14
David T. Fuller	47 50
Charles Claghorn	22 50
Henry Dwight	10
Schuyler Corbit	27 50
Henry Shaft	24
"	155 50
Paid Cash to Wilson G. Hunt, in full of %	575
"	
Received Cash of Manhattan Insurance Co.	4000

As this insurance is to be applied proportionately on the store and the merchandise it may contain, it will be more simple to charge it to Expense-account, or to open a separate account with "Insurance."
 † It is proposed to include in this insurance both Store and Fixtures and Merchandise in proportionate value. It is the student's business to ascertain how much of the \$4000 should be credited to Store and Fixtures account, and how much to Merchandise. This cannot be difficult, as the basis of valuation is given.

TRIAL BALANCE—INVENTORY

Trial Balance, Feb. 28.

				James Mason	8431	61	8431	61
				Robert Walker	8431	61	8431	61
1907	25	1347	23	Cash	7079			
1907	25	1347	23	Mdca.	8431	61		
1907	25	1347	23	Store and Fixtures	2614	30		
				Bills Payable	1050		1050	
				William Patterson				
				Edwin Forrest				
				Bills Receivable	65			
1907	25	1347	23		84125	73	17774	23

Inventory, Feb. 28.

Store Lot valued at \$2000.00

LOSSES IN BUSINESS.

On Merchandise	1211.60
Store and Fixtures	2135.00
By Expenses	205.00
James Mason's net loss	\$1871.25
Robert Walker's	1871.25

PRESENT CONDITION OF BUSINESS.

Resources.

Cash	\$10907.23
Store Lot	2000.00
Bills Receivable	1250.00
William Patterson	324.50
Edwin Forrest	50.00
	<u>14031.73</u>

Liabilities.

Bills Payable	\$1050.00
James Mason, Investment	8431.61
" net loss	1871.25
" Present Interest	6500.36
Robert Walker, Investment	8431.63
" Amount drawn	130.00
" net loss	1871.25
" Present Interest	6431.37
	<u>14031.73</u>

EXERCISES FOR THE LEARNER.

EXERCISES FOR THE LEARNER.

FIFTH SERIES.

The following memoranda of transactions will serve as material for a Set of Single Entry Books, which the student is requested to write up. Let him record the receipts and disbursements of cash in the Cash Book, adopting the form used in the previous Set; also, rule up a Bill Book, after the form on pages 54 and 55, in which enter the Bills, Receivable and Payable. Should he choose, in addition, to keep a Sales Book and an Invoice Book, in which to record receipts and sales of merchandise, it will much facilitate the labor of collecting resources preparatory to deciding upon the gain or loss in business. We have here an important change in the business, occurring at the end of the first month. One of the partners retires from the concern, his interest having been purchased by the remaining partner, who continues the business in the same books. This is a most important matter for the student to understand, both because of involving in itself principles having a general application to the science, and for the reason that such events in actual business are of the most frequent occurrence.

The first thing to be considered in buying or selling the interest of a partner in business is to know the exact pecuniary amount of that interest, or how much of the net resources of the concern belong to him. His *prospective* interest, or the "good will" of the concern, is an after and separate consideration. The interest which any sole or partial proprietor has in a concern is equal to his net investment, *plus* his share of the gain, or *minus* his share of the loss. Consequently, if he has already been credited with his net investment, it is only necessary to ascertain his share in the gain or loss, which, carried to the credit or debit side of his account, as the case may be, will make that account express his real interest in the business. This principle, of course, need no enforcement here, as it has already been so frequently applied in its various bearings. The method of ascertaining gains and losses, where books are kept by Single Entry, is neither so direct nor satisfactory as the process by Double Entry, but it can be done, nevertheless, with certainty and exactness. That the student may learn the real difference in the two systems, he is requested to write up the following series, first in Single, and next in Double Entry form. This process will afford a more appreciable distinction between the two systems than could be otherwise obtained.

Memoranda—Partnership Books.

Buffalo, Nov. 1, 1859.—W. P. Spencer and E. R. Felton unite in copartnership for the purpose of conducting the business of Building. Each to receive interest on his average investment, and the gain or loss to be divided as follows: W. P. Spencer, $\frac{1}{3}$; E. R. Felton, $\frac{2}{3}$.

W. P. SPENCER INVESTS:

Cash deposited in N. Y. and Erie Bank, \$5000; Bills Receivable as follows: Note of A. M. Clapp's, favor of J. C. Bryant, dated July 1, @ 6 mo's, with interest @ 7% from date, \$500; Wm. T. Bush's accepted draft, drawn by H. Newell, Nov. 1, 1859, @ 90 d's, for \$1500; Personal accounts, viz.: Robert Vail, \$175; Henry Gray, \$280; J. Pinner, \$300; Cash, \$259.58.

It is deemed proper to keep a Bank account in the Ledger, it will, of course, be subject to the same conditions as any personal account; for such it is. In determining the exact investment, it is necessary to reduce these notes at their real value; hence, the

EXERCISES FOR THE LEARNER.

E. R. FELTON INVESTS:

Cash, \$1500; Tools, Implements and Materials, \$1000; Unfinished Contract with Smith and Sons—present value, \$5000.*

2d. Received from Smith & Sons, cash on \$, 1750; Deposited the same in N. Y. & E. Bank. 3d. Paid laborers cash as per Receipt Book, \$375; Paid petty expenses, as per Expense Book, \$10.75. 4th. Bo't horse and dray for use of business, for which gave check on N. Y. and E. Bank, \$250; Contracted with A. H. Tracy to build for him on Delaware Street, a brick residence; amount of contract, \$15,000. Received cash, in advance, as per agreement, \$5000. Deposited the same in Bank.† 5th. Paid plumber's bill on Smith & Sons' house, per check, \$375; Paid masons and laborers on Smith & Sons' house, per check, \$150. 6th. Finished small job for J. C. Gansevoort, on South Division Street, for which he owes us \$540.04. 7th. Received cash of J. C. Gansevoort on account, \$300. 9th. Entered into contract with Millard Fillmore, to build for him a cottage on Niagara Street, for \$9000; Received cash on contract, \$1000. 10th. Paid cash to C. Kohler for 100 M. pressed brick, @ \$11 per M.; Bo't of Seth Pierce, Lockport, on \$, 20 bbls. cement, @ \$1.50. 12th. Paid Dean Richmond's draft on W. P. Spencer, per check, \$500; Paid carpenter's bill on Smith & Sons' house, per check, \$1500. 13th. Finished Smith & Sons' contract, and delivered them the keys of the house. Rendered bill for the same, as per contract, \$7500, which was accepted.‡ 15th. Paid laborers and masons cash, as per Receipt Book, \$375; Paid cash for sundry expenses, as per Expense Book, \$25. 18th. Received of Smith & Sons, note @ 60 days, to balance \$, \$5750. 20th. Received cash for small jobs this week, \$400. 21st. Received cash of J. Pinner on \$, \$150; also, of Henry Gray, in full of \$, \$280. 22d. Paid laborers, per Receipt Book, cash, \$500; Paid sundry expenses in cash, as per Cash Book, \$35. 25th. Paid E. R. Felton, cash, on \$, \$500. 25th. Finished job of repairing outhouse for Jacob Van Brunt, for which he owes us, as per bill of items, \$175. 28th. Paid cash to laborers in full to date, \$578.50. 30th. Paid office rent in cash, \$50; Paid Book-keeper to date, per check, \$125.

former (\$500) having already been on interest 4 months, is worth its face and the interest to date; while the latter (\$1500), being drawn without interest, is worth its face, less the current rate of interest for 90 days—the date of its maturity. (We shall, in this case, assume the legal rate of interest allowed by the State to be the current rate, which is 7%.) Therefore, in giving Mr. Spencer credit for his investment, we will estimate the value of the first note at its face, \$500, plus the interest on \$500 for 4 mo's, @ 7%, \$11.67, making in all \$511.67; and the second, at its face, \$1500, minus the interest on \$1500 for 90 days, @ 7%, \$26.25, making \$1473.75. In the Single Entry Set it will be necessary only to credit Mr. Spencer with these real values, and enter the notes in the Bill Book. In Double Entry it will be proper also to open accounts with Interest Receivable and Interest Payable, representing the two amounts, which should be arranged under those titles.

It is customary, in business of this kind, to enter into written contract with the parties for whom work is to be performed, and either receive pay by regularly fixed instalments, or at the completion of the contract. In all such cases, it would be eminently proper to keep a book containing a transcript of such agreements, and a separate account with each job. This is often done, even where the books are kept by Single Entry. The estimated value of this "Unfinished Contract" is, of course, based upon the actual labor performed, and not paid for, and the approximate gain thus far realized. The anticipated gain in the further completion of the work should, of right, be shared by the partners, the same as gains accruing from new contracts.

† It would not, of course, be proper to charge Mr. Tracy, directly, with the amount of this contract, as the work is not yet completed. We should, however, credit him on account for the \$5000 advanced.

‡ Smith & Sons now owe us \$7500, less what they have paid on \$, and with which they have already been credited. It is therefore proper to charge them this amount.

EXERCISES FOR THE LEARNER.

Dissolution of Copartnership.

The copartnership heretofore existing between W. P. Spencer and E. R. Felton is this day dissolved by mutual consent, Mr. Spencer retiring from the firm. The conditions of the dissolution are, that the retiring partner shall receive for his interest, (as shown by his account after being credited with his share of the gain,) one-half cash, and one-half note, payable in six months, with interest from date.

The Resources and Liabilities of the Concern at this time are as follows:

Resources.			Liabilities:		
Cash on hand, per C. B.	440	33	Balance due on personal accounts	6090	
Balance in Bank	8850		Interest for unexpired time on Bush's acceptance	17.50	
Notes on hand	7750		Do. on Smith & Sons' note	67	
Interest due on same	14	58			71 17*
Balance due on personal accounts	740	64			
Horse and Dray	250		W. P. Spencer, net investment	7500	
Tools and Implements	1000		Int. of same	44.03	7544 92
Valuation of unfinished contracts	3500				
			E. R. Felton, net inv. \$7000		
			Int. on same	43.96	7043 26
			Total net gain		1856 20
			W. P. Spencer $\frac{1}{2}$	1113.72	
			E. R. Felton $\frac{1}{2}$	742.48	
	22545	55		22545	55

From the above schedule we are enabled to arrive at the exact amount of Mr. Spencer's present interest in the concern, which is the interest to be purchased. The partners should now be credited each with the interest on his average capital, and also his share of the gain. When this is done, their individual accounts will show their separate interests in the concern.

The business will now be continued, in the same books, under the sole proprietorship of Mr. Felton.

It may not be strictly true that the concern owes this amount of interest; and yet, should we desire to get the notes cashed, or to receive their net value in any other commodity, we should be obliged to abate thus much from their face. In other words, we have estimated the notes as resources at more than their present value, (for the purpose of expressing the value written upon them,) and we must now offset this excess of resources by a corresponding liability. The same effect could have been wrought by reckoning the notes at their real value. The present form would be essential in a statement drawn from a Double Entry Ledger, where notes, either receivable or payable, are always reckoned at their written value.

† According to the partnership contract, each partner is to receive interest on his "average investment." As the method of ascertaining the average capital is more fully explained in its appropriate place, we shall only indicate, in this connection, that the most simple and direct method of obtaining this result is to reckon interest on all sums invested from the date of investment to the date of settlement, from which deduct the interest on all sums withdrawn from the date of withdrawal to that of settlement. The difference will be the interest on the average investment.

EXERCISES FOR THE LEARNER.

Memoranda.—*Expenses Book.*

December 1, 1859.—E. R. Felton has this day purchased the interest of his former partner W. P. Spencer, in the concern of "Spencer and Felton," and proposes to continue the business in his own name. Paid for the same, check on N. Y. & E. Bank, \$4329.33; Note @ 6 mo's, with interest from date, \$4329.32. 2d. Received cash in full for principal and interest on A. M. Clapp's Note, due Jan. 1, 1860; Note, \$500; Interest to date, \$14.58. 3d. Paid cash for tinman's bill, for roof and leaders on Mr. Fillmore's cottage, \$150; Paid Charles Ely's bill in cash, for sills and lintels for A. H. Tracy's cellar, \$50. 5th. Paid workmen to date in cash, \$438.50. 6th. Completed job for S. G. Haven, as per bill of items, for which he owes \$430. 7th. Paid cash for ton of hay, \$20; and for 50 bushels oats, @ 75c., \$37.50. 9th. Bo't of Jacob Vag Brunt, on %, 10,000 feet pine lumber, @ 15c., \$1500. 10th. Rec'd cash for job of mason-work, done for Peter Greiner, \$125. 12th. Paid workmen to date, per check, \$1475. 13th. Finished job of mason-work for Uriel Driggs, Tonawanda, for which he owes \$275. 20th. Completed contract with Millard Fillmore, and rendered him bill for the same, \$9000. 22d. Paid laborers' wages, per check, to date, \$1450. 23d. Passed our note, @ 60 d's, to Merritt Crandell, for bill of Lumber to date, \$3000. 25th. Received cash of Uriel Driggs, in full of %, \$275. 26th. Received cash of J. C. Gansvoort, in full of %, \$240.64. 27th. Paid workmen in full to date, per check, \$563. 30th. Paid sundry expenses in cash, as per Expense Book, \$175.

Changing to Double Entry.

Mr. Felton now proposes to change his books to Double Entry, preparatory to which he makes the following statement of the condition of his business:*

<i>Resources.</i>		<i>Liabilities.</i>	
Cash on hand, per C. B.	724 35	Due on personal accounts	6355
Balance in Bank	1692 66	" " notes	7329 33
Tools and Implements	1000	E. R. Felton, net investment	7785 74
Notes on hand	7250	" " net gain	1549 17
Due on personal accounts	875		
Horse and Dray	25		
Value of unfinished contracts	400		
	23012 33		23012 33

The student is requested to enter up these accounts in the Ledger, according to the examples given in the previous Set, and to continue the business in Double Entry form, for one month, originating his own transactions, and closing his Ledger at the end of the month, according to the principles of Double Entry.

* It will be evident, from these frequent statements, that just as often as it is necessary, for any purpose, to know the exact condition of the business, the account or accounts representing the capital—usually called Stock Account, or Partners' Accounts—must be made to agree with the difference between the absolute resources of the concern and its outside liabilities. In Double Entry Books this is done by carrying to these accounts the result of the Representative accounts, which is the net gain or loss. As there are no such accounts in Single Entry, the same object is attained by taking the difference between the capital at commencing and at closing, which must, of course, be the net gain or loss. Any statement showing resources and liabilities will afford all the necessary material for Double Entry Books, or for any purposes of negotiation where partners' interests are concerned.

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FARM ACCOUNTS:

INCLUDING

PRACTICAL FORM OF JOURNAL,

AND

OTHER NEW FEATURES

FARM ACCOUNTS.

FARM ACCOUNTS.

In the exercises which follow, we have sought to illustrate, briefly, the business of farming. It is, of course, impossible, in so short a space, to give the daily routine of what might be expected to occur in connection with this business; but we have endeavored to make each record as much as possible the representative of a class, and thus, without unnecessary repetition, to indicate and enforce in this department of industry the principles which we have found applicable generally to business transactions.

In certain essential particulars all departments of business assimilate; and any peculiarities which may exist will be found to depend, not upon a change of the principles, nor a difference in the application of those principles, but in the forms and methods of expression growing out of the transactions themselves.

The conditions common to all business enterprises may be briefly stated, as follows:

1. **INVESTMENT.**—Capital, of some kind, is essential. It may consist in *valuable resources*, such as cash, notes, merchandises, real estate, live stock, personal indebtedness, etc.; or, in *productive power*, such as professional ability, talent, industry, a good name, etc.; or in both.
2. **PRODUCTION.**—The prime object of all business is *gain*; or, *what is the substantial proof of gain, increase of resources*. Something must produce this increase, whether it be financial capital, or enterprise, or both combined. In various kinds of business this producing power is properly represented under distinct titles, usually subdivisions of the general account. For instance, in common mercantile business, the entire gain or loss may be shown in a general "Merchandise" account, or through a variety of correlative accounts, such as, "Shipment," "Adventure," "Expense," "Loss and Gain,"* and the specific titles of the different kinds of merchandise, such as, "Corn," "Wheat," "Flour," "Cloth," "Sugar," etc. In a banking business the most common titles given to producing agents are, "Interest," which shows gains and losses accruing from money loaned, and "Exchange," showing similar results in buying and selling uncurrent or premium funds. In a purely commission business, "Commission" account is used for this purpose, and in any professional business, "Profession," "Service," or "Labor," would answer the same ends.

In short, it requires no great effort of the imagination to supply these terms, in advance, for any department of business; and it is only necessary to know the routine of transactions to be able to prescribe, with great accuracy, both appropriate titles and forms.

In the business before us we have no transactions which are not easily subjected to the general principles already advanced; and even the forms, although exceedingly practical, and containing the very essence of concentration, need only be examined to be readily and thoroughly understood.

One essential point with the farmer is to be able to dispense with all unnecessary books; in other words, to do as *little writing as possible*. The "Practical" Journal given in this connection will, if adopted, secure to him this advantage in an essential degree. This form, usually called the "Six Column Journal," is one of the most practical and comprehensive in use, and is applicable to any kind of business. Its principal feature—that of affording special columns for the accounts most used—may be carried to any extent desirable. The result is a vast saving of time in posting, and additional security as to the correctness of the work. The "Six-column Journal" is extensively used in retail dry goods establishments.

The subdivision of the "Farm" account, as shown in this connection, is also a feature of some importance, and may be adopted or not, at pleasure.

* See concluding remarks on page 56.

CASH MEMORANDUM BOOK

Cash Memorandum Book.

The advantages of a Cash Book in business cannot be overrated; and, to a thorough business man, any argument in favor of its use would be superfluous. It is the great conservator of Finance, and is alike essential to the merchant, the mechanic, the farmer, the professional man, and the man of leisure. It not only serves as a check on extravagant expenditures, but, from its frequent comparisons with actual results, guards, in an essential degree, against errors and omissions. To those who feel the force of these facts, but find it difficult to reduce the theory to practice through any of the rigid forms in use, we commend the following simple form as possessing all the necessary qualities of a Cash Book, besides being so simple and practical that a child may comprehend it. A small pocket memorandum book, such as all stationers keep, is sufficient for this purpose, and the writing may be done either with pencil or ink. It should be carried *constantly*, that no excuse may exist for omitting the entry of receipts and disbursements of cash, which should always be entered *at the time*. The balancing may be done daily or weekly, as most convenient.

In the form below we have exhibited the cash transactions for one month, which is sufficient to show the use of the form.

Riverdale Farm, March 1, 1860.

			Re'd.	Paid.
Mar.	1	Amount on hand	190	
	1	Received for 10 lbs. Butter, @2; 10 doz. Eggs, @3	4	
	5	Paid for Johnny's Boots, \$3; Cap for Harry, 75c.		3 75
	6	Sold 10 bushels Wheat, @ \$1.50	15	
	6	Paid for set of Harrow Teeth, \$3; Shoeing Horses, \$1.50		4 50
	7	Paid G. F. Wright & Co.'s Grocery Bill		17 50
	10	Paid hired man for services to date, as per receipt		10
	10	Received for 15 bushels Potatoes, @ \$1	15	
		<i>Balance on hand</i>	<u>118.35</u>	
	13	Sold 2 year old Colt to L. S. Bliss, for	125	
	13	Paid premium for Insurance on Farm Buildings		12 50
	15	Paid Mrs. M. for household expenses		5
	16	Sold C. S. Clark & Co. 20 bushels Oats, @ 75c.	15	
	17	Shoes for Kitty, \$1.25; Toys for Harry, 50c.		1 75
		<i>Balance on hand</i>	<u>220.00</u>	
	19	Paid for one year's subscription to Hampshire Gazette		1 50
	19	" yearly contribution to Poor Fund, \$25; Pew Rent, 1 quarter, \$5		30
	20	" Dr. Jones for filling Teeth, \$5; Bridgman & Childs, for Books, \$1		6
	23	Sold Hillman & Graves 10 Sheep, for	20	
	24	Received for Poultry sent to market	8	
		<i>Balance on hand</i>	<u>228.50</u>	
	26	Deposited in Holyoke Bank		150
	27	Received for Butter, \$4; Cheese, \$2.50; Apples, \$3.75	10 25	
	29	Paid for repairing Implements		3 25
	31	" Charles Jones for painting House		25
		<i>Balance on hand</i>	<u>55.50</u>	50
			<u>526 25</u>	<u>526 25</u>

FARM ACCOUNTS,—HISTORY OF TRANSACTIONS.

Riverdale Farm, Northampton, March 1, 1860.

The following List embraces the real and personal property and debts of William Mitchell, farmer who is sole proprietor of "Riverdale Farm," in the town of Northampton, Mass.

Resources.

75 acres cultivated land, @ \$300; 10 do. woods pasture, @ \$350; dwelling-house, out-buildings, and improvements, \$2500; 2 carriage horses, \$400; 3 work horses, \$275; 1 colt \$100; 3 milch cows, \$100; 1 yoke oxen, \$125; 10 hogs, \$75; 30 sheep, \$50; 3 calves, \$5; 50 chickens, \$10; 6 turkeys, \$5; 10 geese, \$6; farming utensils, \$250; 1 family carriage, \$200; household furniture, \$400; 300 bushels wheat, \$350; 500 do. corn, \$375; 125 do. oats, \$110; 10 tons hay, \$120; 50 bushels potatoes, \$37.50; feed, \$25; 50 shares Connecticut River R. R. Stock, \$5000; cash in hand, \$120; do. deposited in Holyoke Bank, \$1200.

Liabilities.

Mortgage on farm, due in five years, from January 1, 1850, with annual interest, @ 6% \$4000; interest unpaid to date, on same, \$40; Due Samuel Hill on %, \$75.

Bo't of Lewis H. Bartlett, on %, 1 two-horse wagon, for \$75; Sold for cash, 10 lbs. butter, \$2; 10 doz. eggs, \$2.

Bo't of Jonathan Dawes, 10 head of stock cattle for feeding and grazing, for \$650; Paid him check on Holyoke Bank, \$300; note @ 30 d's for balance.

Paid cash for the following articles: Boots for Johnny, \$3; Cap for Harry, 75c.

Sold James Banks for cash, 10 bushels wheat, @ \$1.50 per bushel; Paid cash for set of harrow teeth, \$3; Shoeing horse, \$1.50.

Paid cash for G. F. Wright's grocery bill, \$17.50.

Paid hired men cash for services to date, as per receipts, \$10; Sold for cash, 15 bushels potatoes, @ \$1 per bushel.

Sold L. S. Bliss, Hatfield, 2 year old colt, for \$125 cash.

Paid cash for premium for insurance on farm buildings, \$12.50.

Paid Mrs. Mitchell cash for household expenses, \$5.

Sold C. S. Clark & Co., for cash, 20 bushels oats, @ 75c. per bushel.

Paid cash for shoes and toys for children, \$1.75; Bo't of S. C. Parsons, on %, 1 ton Peruvian guano, for \$30.

FARM ACCOUNTS,—HISTORY OF TRANSACTIONS.

Riverdale Farm, Northampton, March 19, 1860.

Paid one year's subscription to Hampshire Gazette, in cash, \$1.50; Yearly contribution to poor fund, \$25; Pew rent, 1 quarter, \$5.

20
Paid Dr. Jones cash for filling teeth, \$5; Paid cash to Bridgman & Childs, for books, \$1

23
Sold Hillman & Graves, for cash, 10 sheep, @ \$2 per head.

24
Received cash for poultry sent to market, \$2.

26
Deposited in Holyoke Bank, cash, \$150.

27
Received cash for butter, cheese, and eggs, \$10.25.

29
Paid E. L. Kingsley, cash, for repairing farm implements, \$3.25.

31
Paid Charles Jones, cash, for painting house, \$25.

April 1

Received cash for marketing, as follows: 25 lbs. butter, @ 25c.; 10 bush. potatoes, @ \$1.

13
Paid Theo. Ryst, cash, for 1 ton plaster, \$8.

25
Paid cash for winter's school bill, books, &c., \$17.50.

28
Bo't of James Hubbard, on %, 32 bushels oats for seed, @ 60c. per bushel.

30
Paid hired hands in full to date, \$40.

May 1

Received cash for dividend on Conn. Riv. R. R. stock, 5% on \$3000.

15
Paid cash for 1 new plow \$10; For repairing old plow, \$3.

25
Exchanged horses with E. T. Wood; Paid difference in cash, \$25.

June 1

Paid hired hands to date, cash, \$55.

15
Bo't for our own use, 1 rosewood piano for \$275; Paid for the same, check on Holyoke Bank, \$75; note @ 6 mo's for balance.

July 1

Paid hired hands to date, \$60.

5
Sold, for cash, 3 bushels cherries, @ \$4 per bushel; 6 do. currants, at \$1.

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FARM ACCOUNTS.—HISTORY OF TRANSACTIONS.

Riverdale Farm, Northampton, July 10, 1860.

Paid cash for groceries, \$4.75; dress pattern, \$3; Stoddard & Lincoln's bill for dry goods, \$17.50.

20

Finished cutting and harvesting hay, which has been estimated at 75 tons, worth, on an average, \$10 per ton.*

25

Bo't of Henry Claghorn, for Cash, 2 Berkshire pigs, \$15.

30

Sold for cash, 3 hogs, \$25; 4 lambs, \$10; 3 calves, \$4.

31

Paid cash to hired hands, \$37.50.

Aug. 1

Received cash of Benjamin Claghorn, in full for the rental of 10-acre lot, as per contract, \$200.

5

Received cash for pasturage, to date, \$175.

10

Sold Graves Bro's, Florence, 10 tons hay, @ \$11; received cash, \$50; balance on %.

30

Finished threshing grain, and have put in bins, as the result, 250 bushels wheat, worth \$1.50 per bushel; 300 do. oats, @ 75c.; 50 do. rye, @ 60c.

30

Paid hired hands cash, to date, \$50.

Sept. 5

Sold for cash, 30 bushels wheat, @ \$1.03.

10

Finished harvesting potatoes, the result of which is, that we have in cellar 75 bushels, worth 75c. per bushel.

15

Sold for cash, 20 bushels potatoes, @ 87½c.

30

Have gathered from orchard, 100 bushels apples, worth 50c. per bushel.

Oct. 5

Sold for cash, the following produce: 200 bushels wheat, @ \$1.50; 300 do. corn, @ 75c. 40 do. potatoes, @ 1; 35 do. apples, @ 50c.

10

Paid hired hands to date, cash, \$75.

15

Received cash for pasturing 15 head of cattle, \$75; 10 horses, \$60.

* Should we keep but one general producing account for the farm, this entry could not properly be made in the Journal, as it would necessitate both a debit and a credit to that one account, inasmuch as there has been nothing disposed of, and consequently, nothing actually produced. If, however, we desire to keep up the distinctions between the different subdivisions of the general account, as in the Ledger form given, the entry in this case will be: "Produce" Dr. to "Real Estate," as each of the subdivisions should show its cost and proceeds, the same as any general account.

FARM ACCOUNTS,—HISTORY OF TRANSACTIONS.

Riverdale Farm, Northampton, Oct. 18, 1860.

Paid Samuel Hill, jr., cash, in full of \$, \$75.

21

Paid cash in full for note, favor Jonathan Dawes, due April 6. Face of note, \$350; interest to date, \$11.87.

25

Sold Thayer & Sergeant, 4 fat cattle, for \$350, cash.

28

Sold Alvan N. Claghorn, on \$, 5 tons hay, @ \$10 per ton.

30

From inventory taken, we are prepared to estimate the amount consumed by family and live stock since March 1, which is as follows: **FAMILY EXPENSES**—Mutton, \$15; pork, \$17; poultry, \$19; eggs and milk, \$10; flour, \$40; potatoes, \$10. **LIVE STOCK**—Corn, \$50; hay, \$75; feed, \$25; oats, \$37; pasturage, \$50.

31

Upon careful estimation, the apportionment of expense, as charged in the "Expense" \$, (\$329.50) should be as follows: To real estate, \$164.50; live stock, \$82.25; produce, \$82.25.

SIX-COLUMN JOURNAL.

The peculiar characteristics of the practical Journal here introduced will be immediately understood and appreciated. Its advantages may be briefly stated, as follows:

First—A vast saving of time and space in posting.

Second—Embracing the principles of four books in one, viz.: Cash Book, Invoice Book, Sales Book and Journal.†

Third—Showing monthly totals of the principal accounts in the Ledger that the same may be compared year after year.

Fourth—Affording an opportunity to post personal accounts immediately, the debits and credits appearing separately in the "Sundries" column.

Fifth—Giving additional security of the correctness of the Ledger, there existing no probability of omitting debits and credits of the same amount.

Want of space will prevent the giving of more than one month's transactions through this form. The student is requested to write up the remainder as given in the memoranda, putting the months of April, May, June and July together as one month, and August, September and October as one.

The method of posting from this Journal is extremely simple. The separate items in the "Sundries" column are posted the same as from the common Journal, while the amounts of the "Cash" and "Farm" columns are posted at the close of each month.

This idea of special columns is not original with any modern author, as variously claimed, but has been in use, to a greater or less extent, for a quarter of a century. The principle can be carried to any desirable extent; and in some jobbing-houses as many as eight special debit and credit columns are used. The form given in this connection is sufficient to indicate the principle.

* Paid for services and horseshoeing.

† This is the case when the form is used in a general merchandise business; in which case the special columns, debit and credit, would be "Cash," and "Merch."

RIVERDALE FARM, MARCH 1, 1900.

RIVERDALE FARM, MARCH 1, 1900.

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FARM ACCOUNTS, JOURNAL, — PRACTICAL FORM.

RIVERDALE FARM, MARCH 9, 1860.

Dr.	Cash	Debit	Dr.	Cash	Debit	Dr.
32446 50	139	10320 23	Amounts forward	42878 50	8 25	19
17 50	FAMILY EXPENSES	Dr.	To Cash	17 50		
			G. E. Wright's Grocery Bill			
10	EXPENSE	Dr.	To Cash	10		
			Paid hired man to date			
15	CASH	Dr.	To Parents			15
			Sold 12 bushels Potatoes @ 41.			
125	CASH	Dr.	To Live Stock			125
			Sold L. S. Hiss, Hatfield, 2 year old Calf			
12 50	REAL ESTATE	Dr.	To Cash	12 50		
			Paid Insurance Premium on buildings			
5	FAMILY EXPENSES	Dr.	To Cash	5		
			Paid Mrs. Mitchell			
15	CASH	Dr.	To Parents			15
			Sold G. S. Clark 50 bushels Oats @ 75 cts			
294 50	10352 75	Amounts forward		42878 50	53 25	174

29459	294	10352 75	17	Amounts forward	42978 50 53 25 174
		1-75	Dr. To CASH	Shoes and Toys for children.	1 75
			Dr. To S. C. PARKER.	Bought of him on % 4 ton Peruvian Guano.	20
		31 50	Dr. To CASH	1 year's subscription Hingham Gazette. \$1.00	31 50
			Contribution to New Fund.	25	
			1 quarter's Fire Bank.	5	
		6	Dr. To CASH	Dr. Jones, filling teeth.	6
			Brilliance & Childs Schoolbooks.	64	
			Dr. To CASH	Dr. Jones, filling teeth.	1
		20	Dr. To LIVE STOCK	Bald Hillman & Graves 10 Sheep @ \$2.	20
			Dr. To LIVE STOCK	Received for Poultry sent to market.	3
		150	Dr. To CASH	HOLBORN BANK	150
			Dr. To LIVE STOCK	Received for Butter, Cheese, and Eggs.	10 25
			Dr. To CASH	FIRE'S AND LAND'S	8 25
			Dr. To CASH	Paid E. L. Kingsley for repairing.	206 25
			Amounts forward	42978 50 53 25 174	

FARM ACCOUNTS,—JOURNAL,—PRACTICAL FORM.

RIVERDALE FARM, MARCH 81, 1860.

Per.	Out.	Amble.	Per.
20493 25	230 25	10543	
25			
20517 25	230 25	10543	
		236 25	
		23517 25	
		43563 50	
		20537 50	
		1901	
		1131 25	
		4047 50	
		22517 25	

Form of Principal Ledger Account

FARM.

1886.		Last Month.		First 6 Mos.		Production.		Total.	
Mar. 31	52327	1801	1181	55	1407	55	25117	55	25117
Apr. 30	52327	1801	1181	55	1407	55	25117	55	25117
May 31	52327	1801	1181	55	1407	55	25117	55	25117
June 30	52327	1801	1181	55	1407	55	25117	55	25117
July 31	52327	1801	1181	55	1407	55	25117	55	25117
Aug. 31	52327	1801	1181	55	1407	55	25117	55	25117
Sept. 30	52327	1801	1181	55	1407	55	25117	55	25117
Oct. 31	52327	1801	1181	55	1407	55	25117	55	25117
Nov. 30	52327	1801	1181	55	1407	55	25117	55	25117
Dec. 31	52327	1801	1181	55	1407	55	25117	55	25117
Monthly Feeding									
To Cash and Gain									
To Balance									

TRIAL BALANCE,—INVENTORY

Trial Balance.

Debit.						Foot of Ledger.	
4750	33923	50	Stock	4115	39036	50	
975			C. R. R. Stock	5000	250		
			Holyoke Bank	1350	875		
	4000		Mortgage Payable		4000		
	40		Interest Payable		40		
	75		L. H. Bartlett		75		
	200		Bills Payable	350	550		
233	30		Family Expense	223	25		
			S. C. Parsons		80		
1075	03		Cash	2306	40	1133	37
50			A. N. Claghorn	50			
81148	05		Farm	24749	70	3006	05
	19	20	J. A. Hubbard			19	20
60			Graves Brothers	60			
11	27		Interest	11	27		
38287	70	38287	70	48117	72	48117	72

Inventory.

REAL ESTATE,	85 acres Land, valued at	28000	
	Dwelling-House and Improvements	2500	28500
LIVE STOCK.	4 Horses, \$700; 3 cows, \$100	800	
	1 yoke Oxen, 125; 5 Hogs, \$40	165	
	12 Sheep, \$20; 16 Lambs, \$12	38	
	2 Calves, \$20; Poultry, \$25	45	
	10 head Stock Cattle	750	1798
FIXTURES AND IMPROVEMENTS,	Farming Utensils	250	
	1 Family Carriage, \$200; 1 two-horse Wagon, \$75	275	
	Household Furniture	800	1325
PRODUCE,	220 bush. Wheat @ \$1.50	330	
	162 " Corn " 75	121	50
	235 " Oats " 75	206	25
	50 " Rye " 60	30	
	25 " Potatoes " 80	20	
	65 " Apples " 50	32	50
	67 tons Hay " 11.00	737	1537 25
Conn. River R. R. Stock			5000 25
Interest due to date on Mortgage Payable			9200

STATEMENT,—FARM ACCOUNTS.

STATEMENT,—FARM ACCOUNTS.

The following form of Statement has the quality of brevity and plainness; and though less satisfactory in detail than previous forms, it will sufficiently indicate the condition of the business on the date of rendering the Trial Balance and Inventory.

	Losses.	Gains.	Resources.	Liabilities.
• • Conn. River R. R. Stock		250	5000	
• • Holyoke Bank			975	
• • Bills Receivable			350	
• • Mortgage Payable				4000
• • Interest Payable	100			200
• • L. H. Bartlett				75
• • Bills Payable				550
• • Interest Expense	223	35		
• • Interest on				30
• •			1075	03
• •			50	
• •		2017	20	33100
• • J. A. Hubbard				19
• • Graves, Brothers			00	90
• • Interest	11	37		
	2207	90	2207	20
Stock, Investment		\$33,923	50	
Net Gain		1873	58	
Present Interest				33796
			40070	28
				40070

PRACTICAL HINTS FOR FARMERS.

1.—MEASURING GRAIN.

By the United States standard, 2150 cubic inches make a bushel. Now, as a cubic foot contains 1728 cubic inches, a bushel is to a cubic foot as 2150 to 1728; or, for practical purposes, as 4 to 5. Therefore, to convert cubic feet to bushels, it is necessary only to multiply by $\frac{4}{5}$.

EXAMPLE.—How much grain will a bin hold which is 10 feet long, 4 feet wide, and 4 feet deep?

Solution.— $10 \times 4 \times 4 = 160$ cubic feet. $160 \times \frac{4}{5} = 128$, the number of bushels.

To measure grain on the floor.

Make the pile in form of a pyramid or cone, and multiply the area of the base by one-third the height. To find the area of the base, multiply the square of its diameter by the decimal .7854.

PRACTICAL HINTS FOR FARMERS.

EXAMPLE.—A conical pile of grain 8 feet in diameter, and 4 feet high, how many bushels does it contain?

Solution.—The square of 8 is 64; $64 \times \frac{1}{2} \times 4 = 82.776$, the number of cubic feet. Therefore,

$$82.776 \times \frac{1}{4} = 20.694 \text{ Answer.}$$

2.—TO ASCERTAIN THE QUANTITY OF LUMBER IN A LOG.

Multiply the diameter in inches at the small end by one-half the number of inches, and this product by the length of the log in feet, which last product divide by 12.

EXAMPLE.—How many feet of lumber can be made from a log which is 36 inches in diameter and 10 feet long?

Solution.— $36 \times 18 = 648$; $648 \times 10 = 6480$; $6480 \div 12 = 540$. *Answer.*

3.—TO ASCERTAIN THE CAPACITY OF A CISTERN OR WELL.

Multiply the square of the diameter in inches by the decimal .7854, and this product by the depth in inches; divide this product by 231, and the quotient will be the contents in gallons.

EXAMPLE.—What is the capacity of a cistern which is 12 feet deep and 6 feet in diameter?

Solution.—The square of 72, the diameter in inches, is 5184; $5184 \times .7854 = 4071.51$; $4071.51 \times 144 = 586297.44$, the number of cubic inches in the cistern. There are 231 cubic inches in a gallon, therefore, $586297.44 \div 231 = 2538 +$, gallons. To reduce the number of gallons to barrels, divide by 31½.

4.—TO ASCERTAIN THE WEIGHT OF CATTLE BY MEASUREMENT.

Multiply the girth in feet, by the distance from the bone of the tail immediately over the hinder part of the buttock, to the fore part of the shoulder-blade; and this product by 31, when the animal measures more than 7 and less than 9 feet in girth; by 23, when less than 7 and more than 5; by 16, when less than 5 and more than 3; and by 11, when less than 3.

EXAMPLE.—What is the weight of an ox whose measurements are as follows; girth, 7 feet 5 inches; length, 5 feet 6 inches?

Solution.— $5\frac{1}{2} \times 7\frac{1}{2} = 40\frac{1}{4}$; $40\frac{1}{4} \times 31 = 1264 +$. *Answer.*

A deduction of one pound in 20 must be made for half-fatted cattle, and also for cows that have had calves. It is understood, of course, that such standard will at best, give only the approximate weight.

5.—MEASURING LAND.

To find the number of acres of land in a rectangular field, multiply the length by the breadth, and divide the product by 160, if the measurement is made in rods, or by 43560 if made in feet.

EXAMPLE.—How many acres in a field which is 100 rods in length, by 75 rods in width?

Solution.— $100 \times 75 = 7500$; $7500 \div 160 = 46\frac{1}{4}$. *Answer.*

To find the contents of a triangular piece of land, having a rectangular corner, multiply the two shorter sides together, and take one-half the product.





MICROCOPY RESOLUTION TEST CHART

(ANSI and ISO TEST CHART No. 2)



1.50

1.56

1.60

1.67

1.75

1.80

1.88

1.96

2.00

2.08

2.16

2.25

2.33

2.40

2.50

2.56

2.63

2.71

2.80

2.88

2.96

3.00

3.12

3.20

3.25

3.33

3.40

3.50



APPLIED IMAGE Inc

1653 East Main Street
Rochester, New York 14609 USA
(716) 482-0300 - Phone
(716) 288-5999 - Fax

QUESTIONS FOR REVIEW.

QUESTIONS FOR REVIEW.

CHANGING SINGLE TO DOUBLE ENTRY.—PAGE 152.

1. Why should Double-Entry Book-keeping be distinguished as the "*science*" of Accounts? 2. May Single Entry be properly called a science? 3. Why not? 4. What relation does Single Entry sustain to Double Entry? 5. What is the chief difficulty in defining and treating Single Entry? 6. In what particulars do Single Entry Book-keepers differ among themselves? 7. What does the term Single Entry denote? 8. What is usually understood to be the difference between Single and Double Entry? 9. What is the rule for converting Single to Double Entry? 10. If an account has been kept with Stock, or accounts with the partners, what must be done with the gain or loss? 11. Do you consider Double Entry more intricate or laborious than Single Entry? 12. What, in your opinion are the principal advantages of Double over Single Entry? 13. In changing Single to Double Entry, is it necessary to disturb the accounts already shown on the Single Entry Ledger? 14. What are the usual books in Single Entry? 15. For what purpose, and how is the Single Entry Cash-Book used? 16. What is the difference between the Single Entry and the Double-Entry Cash-Book? 17. Is it customary to journalize or post the Single Entry Cash-Book? 18. What other books than the Day Book, Cash-Book, and Ledger are used in Single Entry? 19. When all these auxiliaries are kept in Single Entry, how will it differ from Double Entry? 20. Can the gains and losses in business be ascertained by Single Entry? 21. How?

FARM ACCOUNTS.—PAGE 170.

22. Upon what do the peculiarities of business chiefly depend? 23. What conditions are common to all business enterprises? 24. What do you understand by *Investment*? 25. Can anything properly be called an investment except tangible resources? 26. Can you explain how professional ability, talent, a good name, etc., may be considered capital? 27. What is the prime object of business enterprises? 28. What is the substantial proof of gain? 29. How is the increase of resources effected? 30. How is the producing power in business variously represented? 31. What are the general producing accounts in a mercantile business? 32. In a banking business? 33. In a commission business? 34. In a professional business? 35. Is it difficult to supply the appropriate terms in any kind of enterprise? 36. What is the essential point in Farm Books? 37. Can you explain the "Six Column Journal," as used in this set? 38. What are the advantages of a Cash-Book in business? 39. What is the peculiarity of the Cash-Book used in this connection? 40. What are the five points of excellence claimed for the practical Journal used on this set? 41. How are the separate items posted from this Journal? 42. How the amounts of the "Farm" and "Cash" columns? 43. Can this form be used in any other kind of business than farming? 44. When used in mercantile business, what will be the titles to the special columns? 45. Can the number of special columns be increased? 46. What kind of business is peculiarly adapted to special columns? 47. How many debit and credit columns are sometimes used in jobbing houses?

PRACTICAL HINTS FOR FARMERS.—PAGE 182.

48. What rule have you for measuring grain in a bin? 49. How many cubic inches in a bushel? 50. Can you measure grain upon the floor? 51. How? 52. Give the rule for ascertaining the quantity of lumber in a log? 53. What is the rule for ascertaining the capacity of a well or cistern? 54. How can you get the approximate weight of cattle by measurement? 55. What is the rule for measuring land?

GENERAL INSTRUCTION,

EMBRACING A FEW PRACTICAL HINTS ON PRACTICAL SUBJECTS.

STOCKS.

In connection with this subject, we present exact copies of a few of the different kinds of paper which figure so extensively in the financial world, under the name of *Stocks*, and shall here, as briefly and distinctly as possible, treat of the characteristics and relative merits of this class of commercial values.

The public funding system originated in Venice in the 12th century, and was introduced into Florence in the year 1340. In England, the practice of pledging the public wealth for the repayment of loans had its rise in 1672-94, and has become so much a settled policy of the country, that many of her wisest statesmen maintain that the perpetuity of the government centers in the public debt. We can readily understand how such would be the case were the holders of these pledges citizens, and the pledges held in small quantities, and by the various classes of the community; for the greater pecuniary interest a people may have in their government, the more ardently will they seek to perpetuate its institutions, and the more jealously watchful will they be of its interests. In England, the term *Stocks* is applied mainly to government funded debt, such as Consols,* Bank of England Stock,† etc.; and the term *Shares* to the capital, or joint stock of railroad companies, banks, manufactories, etc. In our own country, the term *Stocks* is used in a more general sense, including United States funded loans, State loans, and the stocks, or shares in various corporations, joint-stock companies, etc.

Stocks, in our common acceptance, may properly be divided into two classes, which, for the sake of distinction, we will denominate *Interest Stocks* and *Dividend Stocks*.

Interest Stocks are those calling for a certain fixed percentage on the amount loaned, and are secured either by pledge of the public wealth, or by mortgage on adequate intrinsic value. Of this class are government securities of all kinds, bonds of railroads and other corporations, mortgages on real estate, etc. The only influences which can really affect the value of this class of Stocks are the worth of money, and the character of the securities upon which they rest.

Dividend Stocks are those which call for a dividend of the net earnings of certain enterprises, and are secured by the net resources and earning capacity of such enterprises. Of this class are the shares in the capital stock of railroads, banks, manufacturing and mining establishments, and other joint-stock corporations. They fluctuate in value according to the pecuniary success and prospects of the business which they represent; and, as the intrinsic value of all property depends upon its producing power, so the dividends which are declared upon these shares—if the same are known to be from the legitimate earnings of the business—regulate, in the greatest degree, their market value. Other influences may force these values out of their proper relations to this test, but if left to their legitimate course, like other commodities, the parallel between earnings and commercial value must hold good.

Of these two classes of Stocks, the latter only, figures to any great extent in the market lists, from the fact that good securities pledging a regular, unvarying dividend, are not capable of sudden inflation and depletion, like those which are dependent for their very existence upon a variety of unseen causes, and subject to disasters from financial reverses, bad management, etc. There is, of course, a difference in the value of what we have denominated *Interest Stocks*, not dependent upon the percentage of dividend. Such difference must, of course, be owing, mainly, to the character of the securities. For instance, United States Stocks, dividing 6%

* Consolidated fund of the English Government, bearing 3% interest.

† The Bank of England is a part of the government, and, consequently, cannot be classed with private corporations.

GENERAL INSTRUCTION.

per annum, always sell at a premium; while the various grades of railroad bonds, declaring from 7 to 8 %, vary from 1 % premium to 90 % discount. The reasons for this will appear by a little investigation into the comparative circumstances. In the case of United States Stocks, the country itself is pledged for the payment of principal and interest; and even should the public property and revenue prove insufficient (which is scarcely to be supposed), there would be no difficulty in obtaining the consent of the people to be taxed. Nothing can be more disastrous to the honor of a country than the repudiation of its debts; and no fair-minded citizen of the United States would willingly permit so foul a stain upon his nation's glory. The same would prove true to a greater or less extent respecting states, counties, municipal corporations, etc., although the history of some of the states, in this regard, is not as creditable as could be desired.

In the case of bonds and mortgages on private corporations, real estate, etc., securities vary with the success of the enterprises and the value of convertible resources thus mortgaged.

In all this class of Stocks, the value is regulated by the amount of interest to be paid and the character of the securities. The rates of United States Stocks rule higher than those of state, county, and municipal Stocks, on account of being better known; and, therefore, more generally available.

The true basis of value in *Dividend Stocks* is, first, the permanent prospects of the association represented, and next, its real net earnings. The law which makes it incumbent upon banks to publish, at certain periods, a sworn statement of their affairs, is eminently calculated to further the interests of the public; and if one could always be sure that things are called by their right names in these statements, the process of estimating the value of such Stocks would be simple enough. Take an example: On the 19th March, 1859, the net reserved profits in the Chemical Bank of New York were \$586,170, and the capital stock \$300,000. During the succeeding year this bank paid to stockholders a dividend of 12 %, and added to the "reserved profits," \$12,086, which is equivalent to 14 % of the capital. The net earnings during the year, therefore, were 26 % on the capital stock. The question now is: What is stock worth which produces 26 %? or, what is its value as compared with money? The first thing to be ascertained, then, is the value of money, which, by reference to street quotations at this time, we find to average about 64 %. We have now a simple problem in proportion, viz.: *If one dollar produces 64 cents, how much will be required to produce 26 cents?* The solution is as follows:

$$64 : 26 :: 100 : 400.$$

The answer is: One dollar in Chemical Bank Stock is worth four dollars in money; which is the quoted market value of this Stock.

Another example: The Atlantic Bank, on the 19th of March, 1859, had a reserved profit of \$14,642, and a capital stock of \$400,000. During the year the bank declared a dividend of 7 %, which reduced the reserved profits \$8,430, being a little over 2 % on the capital. The net earnings, therefore, of the bank were a little less than 5 %—say 4½ %. What is the value of the stock? Solution as before:

$$64 : 4\frac{1}{2} :: 100 : 73.$$

Atlantic Bank Stocks are quoted @ 70c., which varies only slightly from the above result.

While it is true that upon a basis of this kind the approximate value of a large portion of the current Stocks can be ascertained, the parallel will not hold good in all cases. For instance, many of the railroads in the country pay regular semi-annual dividends of from 3 to 4 %—or 8 % per annum—whose Stocks are never quoted at a higher figure than 80c. The reason for this discrepancy between dividends and market value can exist only in a lack of confidence in the management and prospects of the corporations. It is known, in fact, that railroad dividends are often declared *without reference to earnings*, for the purpose of giving a fictitious value to the Stocks. Of course, when such is the case, money for this purpose has to be borrowed, and must eventually be paid. So reckless have some railroad companies been in these matters, that the original Stock which, by prudent management and a persistent course of honesty towards the public, might have been kept at a low rate of discount, if not at par, has been run down to zero, carrying with it, of course, all securities based upon it. There are various ways of "cooking up" the financial affairs of a large corporation, so that those who have no means of knowing the intrinsic worth of what are called its resources may be easily deceived. Nothing is more deceptive than an ingenious array of sober-looking figures. Efforts have been made by the various State Legislatures to infuse a little leaven of honesty into joint-stock associations by obliging them to make periodical statements to the public, under oath, of their condition; but such enactments afford no absolute guarantee. It is a difficult matter to legislate men honest; and corporations are, certainly, no better than men.

It would be proper, in this connection, to dwell somewhat at length upon the dishonest influences brought to bear upon Stocks by that class of speculators termed, not inaptly, "Stock Gamblers," but want of space will prevent it. We shall, therefore, close this subject by submitting a few copies of genuine documents:

U. S. Registers Bond.

No.

\$10,000.

Treas. Department

Proceeds of the sale of Public Lands pledged to pay Principal and Interest



\$10,000.

Register's Office.

**LOAN OF
1847.**

It is hereby certified that the UNITED STATES OF AMERICA, are indebted to PETER COOPER, and his assigns, the sum of TEN THOUSAND DOLLARS, after the last day of December, 1847, with interest from the 10th day of June, 1847, inclusive, at Six per cent. per annum, payable on the first days of January and July, in each year. This debt is authorized by an Act of Congress approved January 28th, 1847, and is transferable on the books of this office.

Entered, June 10, 1847.

Recorded, June 12, 1847.

SEAL

Signed,

REGISTER U. S. TREASURY.

Railroad Shares.

DELAWARE, LACKAWANNA & WESTERN

Number.

RAILROAD COMPANY,

Shares

STATE OF PENNSYLVANIA.



S H A R E S .

This is to Certify that CHARLES E. CARRYL is entitled to.....ONE HUNDRED.....Shares of the Capital Stock of the DELAWARE, LACKAWANNA & WESTERN RAILROAD COMPANY, transferable only on the Books of the Company in the City of New York by him or his Attorney, upon the surrender of this Certificate.

In Testimony whereof, the said Company have caused this Certificate to be signed by their President and Treasurer, and sealed with their corporate seal.

NEW YORK, January, 1860.

\$ 50 EACH.

Treas.

Pres.

JOINT STOCK BUSINESS.

JOINT STOCK BUSINESS.

The theory of joint stock business differs, in no essential particular, from that of individual or partnership concerns; the prime object in all being the accumulation of gain through an intelligent application of capital and talent. The means of joint-stock concerns are usually applied to enterprises requiring large investments, such as the constructing and working of railroads and manufactories, building and running steamships, purchasing and working mines, establishing and conducting banks, and in the various channels of public enterprise where it is supposed such investments will pay. The capital of a joint-stock concern is divided into certain number of shares, each representing a stated investment, which shares are purchased and held by the owners or stockholders, who, through appointed agents or directors, conduct the business of the concern. These shares are worth more or less than their nominal value, according to the present and prospective condition of the business they represent. If worth their face, they are said to be at *par*; if worth more, at a *premium*; if less, at a *discount*. Some of the different tests of this value are given in the preceding chapter. The majority of joint-stock associations work under a special or general charter granted by the legislature of the states in which they are located; and from this cause, and because such charters are guarded by wholesome restrictions, they have a kind of importance in the public estimation not shared by private concerns. Especially in this case with banks, the promissory notes of which are paid and received as cash, and comprise the great medium of commercial transactions. The restrictions which the laws of the different states throw around banking institutions are intended both to protect the public against an abuse of confidence and to encourage the concentration of capital in such legitimate channels as shall administer to the general good. Banks are the acknowledged financial agents of the community. They occupy a position between the borrower and the lender, saying to those who have more money than they need, We will find you responsible customers who will pay you for the use of your surplus means; and to those who are in want of funds for the prosecution of their legitimate business, We will supply your necessities at fair rates of remuneration. The bank also affords safe custody for the deposit of the surplus funds of its dealers, attends to the collection of their notes, negotiates exchanges, and, when properly conducted, serves an important end in facilitating financial operations.

The special privileges which banks possess are, the issuing of bills payable which circulate as money without drawing interest, and the holding of large balances in favor of depositors without paying interest. Both the bills payable and deposits are employed in discounting paper, upon which interest is charged. The restrictions under which banks operate constrain them to give ample security for the redemption of their own notes—which are always payable “on demand”—to keep a certain percentage of specie on hand for the accommodation of bill-holders and depositors, to abstain from speculations, and to confine their rates of interest within stated bounds. In order the more fully to secure these ends, the banks in most states are required to make periodical statements of their condition to the public. The following form is prescribed by the “Free Banking Law” of the State of New York, and is an exact copy of a “Bank Statement.”

QUARTERLY REPORT.

STATEMENT showing the true condition of the “Niagara River Bank,” of Tonawanda, N. Y., an Associated Bank, on the morning of Saturday the third day of June, 1854.

Resources.		Liabilities.	
1. Loans and Discounts except, to Directors and Brokers	85395 89	1. Capital	101000
2. All sums due from Directors of this Bank	13300	2. Profits	2105 82
4. All sums due from Brokers	199 25	Registered Bank Notes received from Comptroller and not returned	101200
6. Bonds and Mortgages	48971	Less Notes on hand	23011
7. Stocks	50000	4. Leaves Reg. Bank Notes in Circulation	78989
9. Loss and Expense Account	1200	5. Due Treasurer State of New York	5743 55
11. Specie	712 85	6. Due Depositors on Demand	19842 12
12. Cash Items, (Checks, etc.)	627 24	8. Due Banks on Demand	1460 60
13. Bills of Solvent Banks on hand	1103		
16. Due from Banks on demand	7731 56		
Total	215440 79	Total	215440 79

JOINT STOCK BUSINESS.

COUNTY OF ERIE, ss.: FRANK S. PROSSER, President, and THOMAS W. WOOLSON, Cashier of said Bank, being duly sworn, severally depose and say, that they are the President and Cashier as aforesaid, and that the foregoing is, in all respects, a true statement of the condition of the said Bank, before the transaction of any business, on the morning of the third day of June, 1884, according to the best of their knowledge and belief; that the said Bank is an Associated Bank, and is located in the town of Tonawanda, in the County of Erie, where it has a Banking House for the transaction of its business; and that from the first of June, 1883, up to the day of making this report, the business thereof was transacted at such location.

E. S. PROSSER, President,
T. W. WOOLSON, Cashier.

Subscribed and sworn by both deponents this 21st day of June, 1884, before me,

L. K. HADDOCK, { Commissioner of Deeds
for Buffalo.

As this statement is intended for the enlightenment of the public, let us see how much satisfaction the public is likely to get out of it. The first item on the list of resources, is "Loans and Discounts." This we take to consist of promissory notes and other evidences of debt, held by the bank as security for the payment of money loaned. The real value of this species of resource will depend, of course, upon the certainty of payment at maturity. Of this the public knows nothing. The same is true of the second item, "Sums due from Directors of this Bank." This distinction is made that the public may know what proportion of the "accommodation" of the bank is absorbed by its officers; and is in accordance with the requirements of law. Item 4, "Sums due from Brokers," is an absolute resource if "Brokers" are sure to pay. Items 6 and 7, "Bonds and Mortgages," and "Stocks," comprise securities deposited with the Bank Superintendent as a basis of circulation, and, we must conclude, are worth their estimated value. Item 9, "Loss and Expense Account," is of a different nature, and will need a little explanation before "the public" will be ready to accept it as a resource. Were the bank to become insolvent, and its creditors to force it into liquidation, the amount called "Loss and Expense" would serve a sorry purpose in cancelling debts; and yet we are not fully prepared to say that it does not represent a resource. Among the liabilities enumerated are two items, called "Capital" and "Profits." These, although first mentioned, are the last to be paid, inasmuch as they are but other names for the stockholders, who are the owners of the bank. In paying the other liabilities, which, for the sake of distinction, we have elsewhere called "outside liabilities," we can, of course, use no part of the resource called "Loss and Expense;" and as the resources and liabilities are equal, we cannot throw out this amount without becoming insolvent.* It must, therefore, apply in the payment of the liabilities to stockholders; and, inasmuch as that which will cancel a liability may properly be called a resource, we violate no principle in so denominating "Loss and Expense."

We are fully aware that the above argument is not without "special pleading," but we are also aware that the special case demands it. We do not claim, even, that the statement presented, although prescribed by the state, is the best form by which to illustrate the science of accounts; but this fact does not render it less important to be understood. The statement is, in fact, neither more nor less than a Trial Balance, the debits of which are called Resources, and the credits Liabilities. The Representative accounts not having been cancelled, are here arrayed against each other. But so long as the questionable resources do not exceed the "Profits," the public may fear nothing from their being enumerated. The only point about which the public must ever be in the dark with reference to Bank Statements, is the real worth of that omnibus account called "Loans and Discounts." If proper vigilance is exercised by the officers of the Bank Department, whose duty it is to investigate these securities, so that "Loans and Discounts" may include nothing of a doubtful character, the relative bearing of other items in the schedule can be easily estimated. For instance, if the item in the above statement called "Loss and Expense" were omitted, "Profits" would be reduced just that amount, which would, perhaps, render the statement easier of explanation, but not, in reality, more truthful.

We have given to banks a prominence among joint-stock associations, because they are more intimately connected with the public weal; furnishing, as they do, the credit upon which the bulk of all commercial exchanges are effected. Every man who is, or expects to be the holder of a bank note, or a bank creditor by deposit or otherwise, is, to that extent, interested directly in the scheme which regulates the value of such possessions.

All joint-stock companies prudently conducted will make their dividends conform, in some degree, to their earnings; and in no case should the dividends exceed the current and "reserved" profits. The practice which certain railroad corporations have of borrowing funds to divide among stockholders is reprehensible in the

* The term "insolvent" is, of course, used in its restricted sense, taking cognizance of the fact that the amount due stockholders, both for profit and original capital, is among the liabilities.

EXCHANGE.

extreme, and should destroy public confidence in them, which it does. It would be far better for all such corporations to adopt the policy pursued by some banking institutions, restricting the dividends to such a point as to allow a constant accumulation of reserved profits, or "sinking fund." To secure this end, great care should be taken, in the enumeration of such resources as have intrinsic value, to state that value as nearly as can be done without reference to cost. For instance, in the statements of railroad, manufacturing and mining companies, upon which profits are determined, "Construction," "Machinery" or "Fixtures" accounts should be made to exhibit the value of the property thus represented, instead of what may have been charged to such accounts. It is very probable that these accounts may have been debited with items which should have gone at once to Expense or Loss and Gain account; and, if so, the gains will show too large. The same may be true of other resources, such as personal accounts, bills receivable, etc.

In short, the same policy which will secure the best results in individual or partnership business, will hold equally good in joint-stock concerns. In the latter more particularly should great care be taken to avoid the reduction of capital stock. In private concerns, where each partner is immediately cognizant of, if not an active participant in, all the transactions, a reduction of capital by unfortunate speculations, or otherwise, is not fraught with such evils as where innocent holders of stock are injured through the imprudent or unfortunate management of accredited agents, over whom they have no control except to remove them by vote. It will be borne in mind that all dividends in joint-stock concerns are based upon the original or nominal stock, each holder receiving his just proportion. If the working capital exceed this nominal amount—as is the case where "reserved profits" are held—the prospects for dividends will, of course, be better than if it be less—as is the case when the capital has been reduced, either by actual loss or excessive dividends. It is an excellent, though homely maxim, that "a dinner should not be eaten before it is earned."

EXCHANGE.

EXCHANGE is a term used to denote that commercial usage by which individuals are enabled to cancel debts at a distance without the transmission of money. This is effected through the agency of a species of commercial paper known as "Bills of Exchange."

A Bill of Exchange is a written order addressed to some person directing the payment of a certain sum of money, either upon its presentation or at a specified time thereafter. The parties to a Bill of Exchange are, first, the person who draws it, and who is called the *drawer*; second, the one on whom it is drawn, called the *drawee*; and third, the one for whom, or in whose favor it is drawn, called the *payee*. By legal construction and commercial usage, the drawer of a bill is also considered its *endorser*; his signature being a virtual guarantee of its fulfillment. The *drawee* is also denominated the *payer*; and, if he accept the draft to be paid at a future time, he is called the *acceptor* or *maker*.

DOMESTIC EXCHANGE consists of drafts, notes, checks, certificates of deposit, etc., the parties to which reside in different parts of the same country.

FORIGN EXCHANGE is represented by drafts, the parties to which reside in different countries. They are usually drawn in sets of three or more, one of which being honored the others become void. This precaution is deemed important to guard against the contingencies of transmission. The separate bills are sent by different routes, or at different times, and the first that comes to hand, if either, is honored. Foreign Bills of Exchange are made payable in the currency of the country upon which they are drawn, instead of that where they originate.

FORM OF A SET OF EXCHANGE.

EXCHANGE FOR £1000.

New York, March 31, 1860.

Thirty days after sight of this my first Bill of Exchange (second and third of the same date and tenor unpaid) pay to Daniel F. Tiemann, or order, One Thousand Pounds sterling, value received, with or without further advice.

CYRUS W. FIELD.

To GEO. PROSSER & Co.,
Bankers, London.

EXCHANGE.

EXCHANGE FOR £1000.

New York, March 31, 1860.

Thirty days after sight of this my second Bill of Exchange (first and third of the same date and tenor unpaid) pay to Daniel F. Tiemann, or order, One Thousand Pounds sterling, value received, with or without further advice.

To GEO. PRABODY & Co.,
Bankers, London. }

CYRUS W. FIELD.

EXCHANGE FOR £1000.

New York, March 31, 1860.

Thirty days after sight of this my third Bill of Exchange (first and second of the same date and tenor unpaid) pay to Daniel F. Tiemann, or order, One Thousand Pounds sterling, value received, with or without further advice.

To GEO. PRABODY & Co.,
Bankers, London. }

CYRUS W. FIELD.

Bills of Exchange are bought and sold the same as any other currency, being negotiable by endorsement. If the person to whose order the bill is drawn endorses *in blank* by merely signing his name, no after endorsement is necessary; if, however, he endorses *in full*, mentioning the name of the party to whom, or order, the payment is to be made, the *endorsee* must also endorse to give the bill currency. Each endorser, unless he signs "without recourse," is held responsible, and may be sued for recovery of the bill.

The *intrinsic Par of Exchange* is the value of the currency of one country, estimated in the currency of another, by comparing the quantity of gold and silver in their respective coins.

The *intrinsic value* of the English sovereign, which represents the pound sterling, is \$4.86 in our gold taken as a standard.

The *exchange value* of the English pound is \$4.44½, and all premiums are computed upon this standard. The *commercial value* of a Bill of Exchange on London is its exchange value, plus the premium it will bring in the market.

The Custom House regulations have fixed this premium at a little less than 9 %, making the value of the pound sterling \$4.84 in our currency.

The course of exchange, or the fluctuation above or below par, depends generally on the amounts due between different countries. Thus, when the debts and credits between two countries are equal, the real exchange is at par. But if New York owes London more than London owes New York, there will be a greater demand for the bills on London; and this demand will cause the bills to be at a premium. The premium, however, can never exceed the cost and risk of transporting specie; otherwise the debts would be paid in specie.

The operation of Bills of Exchange may be explained by a single example: If A of Boston, owes B of Paris, and C of Paris, owes D of Boston, A purchases in the market a *bill* upon Paris; that is, he buys of D an order on his debtor C to pay A, or order the amount desired. A endorses the bill and sends it to B, who receives payment from C. Thus the two debts are cancelled by a single remittance.

In making remittances to foreign countries, it is not always best to remit by the direct course. For example, suppose a merchant in New York desired to pay a debt in London where drafts on New York are below par, while at the same time they are at a premium in Paris, and Paris funds are at par in London; it will be evident at once, that the most economical method of getting funds to London, will be to remit through a house in Paris. The determination of the value of such remittances is called the *Arbitration of Exchange*, and is most easily accomplished by the application of what is known as the "Chain Rule."

NOTE.—It is no part of the design of this work to supply the place of a Treatise on "Commercial Calculations," such a book having been specially prepared and published to accompany this series. We refer the student to "Bryant & Stratton's Commercial Calculations" for a full exposition of all the practical arithmetical questions growing out of business transactions, including the topics here discussed. The special exercises under this head which follow have immediate connection with the transactions of the various sets embraced in the body of the work.

EXCHANGE.

FORMS OF NOTES, DRAFTS, RECEIPTS, ETC.

We have given various forms of Notes, Drafts, etc., in the body of the work. The following varieties will serve farther to denote technical distinctions in form and usage:

Notes.

1. Individual Note.

\$500.

One day after date, I promise to pay to M. B. Scott, or order, Five Hundred Dollars, value received.

New York, July 1, 1860.

JACOB HINDS.

2. Joint Note.

\$1000.

Sixty days after date, we promise to pay N. C. Winslow, or order, at Metropolitan Bank, One Thousand Dollars, value received.

New York, July 1, 1860.

H. B. BRYANT.

B. S. PACKARD.

3. Joint and Several Note.

\$1500.

One month after date, we, or either of us, promise to pay Orlando Warren, or order, Fifteen Hundred Dollars, value received, with interest from date.

Springfield, April 10, 1860.

E. C. BRADFORD.

F. A. BRADY.

4. Principal and Surety Note.

\$600.

Thirty days after date, I promise to pay Eliphalet Packard, or order, Six Hundred Dollars, value received.

CUMMINGTON, January 1, 1860.

JOHN ORCUTT, Principal.

ZENAS BRADLEY, Surety.

5. Chattel Note.

\$400.

Three months after date, I promise to pay Henry P. Smith, or order, Four Hundred Dollars in Goods from my store, value received.

BUFFALO, March 10, 1860.

HIRAM NEWELL.

6. Non-Negotiable Note.

\$375.

One month after date, I promise to pay J. H. Goldsmith Three Hundred and Seventy-Five Dollars, at his office, value received.

DETROIT, May 15, 1860.

J. C. BRYANT.

REMARKS.—Nothing is more essential to the holder of a note than to know when it falls due, as a neglect to present for payment on the day of maturity will discharge all parties but the principal. In this country all notes and drafts on time are allowed, by statute, *three days' grace*, unless otherwise expressly stated; that is, they are not legally due until three days after the written date of maturity. In the State of New York no grace is allowed on sight drafts, they being payable on presentment. If the last day of grace falls on Sunday or a legal holiday, the note is due on the Saturday or other day before the holiday. But if there be no grace, and the note falls due on Sunday or other holiday, it is not payable till the succeeding day. If a bill is drawn, payable in or after a certain number of days from date, sight, or demand, the day of date, sight, or demand, is excluded, and the day on which it falls due included. Thus, if a note be dated January 1, due in "twenty days from date," we commence counting from the day of date; January 2 being *one day*, January 3, *two*, and so on. The twenty days will elapse on January 21, to which add three days' grace, and the date of payment will be January 24. If a bill be drawn, payable in any stated number of months after date, it will be payable on the day of the month corresponding with its date, adding grace. Thus, if a note be dated January 1, payable "six months from date," it will fall due July 4, which being a national holiday, it will be payable on July 5; or, if that day be Sunday, on July 2. Presentment for payment must be made at the place designated, during business hours of the day of maturity. Most banks close at 3 o'clock, P. M. of each day, in which case, notes maturing at banks should be presented before that hour. It is customary to leave such notes with the bank for collection, some days before maturity. The only point about which the holder should be careful is, that the note be at the place designated at the time of its maturity.

If the place of payment be not specified in the note, a demand is sufficient, if made at the usual residence or place of business of the payer; either of himself or an agent authorized to pay.

Interest cannot accrue on a note before maturity, unless so specified.

Notes drawn "on demand" are not legally due until a formal demand has been made. For this reason, if for no other, the better expression is, "one day after date."

The phrase "value received," though not essential to the legality of notes and drafts, should be inserted to save the holder from the necessity of proving value.

To be negotiable, a note should be made payable either to "order" or "bearer." Some States require also the words, "without defalcation," others "without defalcation or discount."

EXCHANGE.

Drafts.

1. Time reckoned from Sight.

\$500.

CLEVELAND, April 12, 1860.

At ten days' sight, pay, to the order of Ivison & Phinney, Five Hundred Dollars, value received, and charge to account of

T. P. HARDY

To BRYANT, HYATTSON & PAGEARD, }
16 Cooper Institute, New York. }

2. Reckoned from Date.

\$750.

CHICAGO, June 18, 1860.

One month from date, pay to James Magoon, or order, Seven Hundred and Fifty Dollars, at the Bank of the Interior and charge the same to my account.

DIEST V. BALL,

To MESSRS. CALKINS & CLARK, }
448 Broadway, Albany. }

REMARKS.—As stated elsewhere in this work, a draft differs from a note only in form; the *acceptor* of a draft sustains the same relation to the other parties as does the *maker* of a note. The *drawer* of a draft is also identical with the *endorser* of a note, being holden for its payment in case the *drawee* should fail to comply.

The regulations and provisions stated as pertaining to notes are, in all respects, equally applicable to drafts.

The term "sight" as used in drafts, refers to presentment, which time is usually denoted by the date of acceptance. (See example on page 118.)

Due Bills.

1. For Cash; Drawing Interest.

\$175 $\frac{3}{100}$.

LOUISVILLE, April 28, 1860.

Due John Jones on demand, One Hundred and Seventy-Five $\frac{3}{100}$ Dollars, with interest from date.

J. R. BUCKLOW.

2. For Merchandise, without Interest.

\$100.

SYRACUSE, June 10, 1860.

Due W. Carpenter, or order, One Hundred Dollars, payable in Wheat at the market price, on the first day of September next.

COMSTOCK & Co.

REMARKS.—Due Bills are equally binding and effective with notes and drafts, and may be made negotiable as well. They are usually drawn on demand, and for some special purpose, wherein a note or draft would not be appropriate. They draw no interest unless specified. Due Bills are of every conceivable form, there being no usual formula, as in the case of notes and drafts.

Orders.

1. To apply on Account.

CINCINNATI, April 8, 1860.

Mr. J. Austin Sperry will please pay to the bearer Fifty Dollars, in Merchandise, on my account.

J. D. HINDS.

2. In full of Account.

THOMAS PRASE, Esq.,

FREDONIA, O., July 10.

Please pay to E. M. Hale, or bearer, Fifty Dollars from your store, and this shall be your receipt in full of my account.

JACOB S. DUDEN.

REMARKS.—An order is similar in character to a draft, with the difference that a draft is always for money, while an order is for goods. An order, if accepted by the *drawee*, is precisely the same in effect as a chattel note.

Receipts.

1. On Account.

\$400

Received, January 1, 1860, Four Hundred Dollars on account of W. Armstrong.

GEORGE PHILAN.

2. In full of all Demands.

\$575

ALBANY, Ju 10 10, 1860.

Received, of Calvin S. Still, Five Hundred and Seventy-five Dollars, in full of all demands to date.

BENJ. PAYR.

EXCHANGE.

3. To apply on Contract.

\$1000.

Received, of J. W. Eddy, One Thousand Dollars, the same to apply on contract for building house, dated April 30, 1860.

ALBANY, April 30, 1860.

W. H. CLARK.

4. To apply as an Endorsement.

\$75.

Received, on the within note, Seventy-five Dollars.

July 10, 1860.

JAMES SMITH.

5. Receipt for Property.

CINCINNATI, May 10, 1860.

Received of Jacob Strader the following enumerated articles, to be held in trust for him: One field Watch (hunting case); one Silver Watch; two Promissory Notes, each dated January 1, 1860, and signed by Robert McDougal—one for Three Hundred Dollars, due in six months from date, and the other for Five Hundred Dollars, due in eight months from date.

D. C. COLLIER.

REMARKS.—There is absolutely no end to the variety of Receipts; neither do they need any special explanation, as each explains itself. The common business way of obtaining a receipt is explained in connection with checks and certificates of deposit.

Certificates of Deposit.

\$500.

UNION BANK.

ALBANY, March 1, 1860.

David T. Fuller has deposited in this Bank Five Hundred Dollars, payable to Albert H. Tracy or order, on the return of this Certificate, properly endorsed.
(No. 1373.)

JAMES A. TILFORD, Teller.

REMARKS.—The above is the usual form of Bank Certificates, and is sufficiently suggestive of their character. The particular convenience of such a document is its adaptation to the purposes of remittance. It is the same in effect as a "certified check," the bank being as much bound to redeem it as one of its own notes. It is much safer to remit than a bank note, as, in case of mis carriage or theft, the payment is stopped, and a duplicate will be issued. It also serves as a receipt, inasmuch as the party in whose favor it is drawn must endorse it before it can be redeemed.

Checks.

1. Payable to "Bearer."

\$100.

MERCANTILE COLLEGE BANK,

NEW YORK, May 16, 1860.

Pay to Joseph Dawson, or bearer, One Hundred Dollars.
(No. 1351.)

B. S. PACKARD.

2. Payable to "Order."

\$300.

MERCANTILE COLLEGE BANK,

NEW YORK, June 20, 1860.

Pay to Charles Strong, or order, Three Hundred Dollars.
(No. 1500.)

B. S. PACKARD.

REMARKS.—The only distinction in these two forms exists in the words "bearer" and "order." The difference growing out of this distinction, however, is sometimes very important. For instance, a check, payable to bearer, is negotiable without endorsement, while, if payable to "order," it must be endorsed by the party in whose favor it is drawn, thereby serving as a receipt for the payment of its face. The latter method is pretty generally adopted by business men, to avoid the necessity of special receipts. It is often the case that persons receiving checks as cash, require them to be certified by the proper bank officer, in which case they are the same as certificates of deposit.

It must be borne in mind, that drafts, orders and checks are always drawn against existing debts due to the drawer, except in special cases where it is otherwise agreed. Drafts are frequently drawn by consignors against special consignments in the hands of the drawee, in which case they are paid from the avails of such consignments.

COMMERCIAL CALCULATIONS

COMMERCIAL CALCULATIONS.

It will, of course, be impossible to do more than hint at a few of the most prominent questions properly embraced under this general subject; and it shall be our earnest aim to make these of the most practical kind. The very idea of accountantship is inseparable from a thorough knowledge of calculations; and all theoretical abstractions which lie at the basis of the science of accounts, will be found of little avail without the practical results which come along through the almost magical power of figures.

ADDITION.

The simple process of addition would seem to need no enforcement or illustration; and yet there is no part of the science of numbers more important to accountants, or in which they are more apt to be deficient. We mean, of course, the process as applied to the addition of long columns of figures, which should be done with facility and correctness. Authors and teachers have shown both ability and ingenuity in their various suggestions and aids, but nothing can be of so much service to the student as *continued practice*. The most approved method of testing the correctness of addition is to add the columns in both directions, first upward and then downward, or the reverse. The philosophy of this is, that the combinations are thus varied, and the chance of committing the same error twice is avoided.

Three very simple processes of retaining the figure to be carried to the next column—a very important consideration with beginners—are shown below. The first is the usual method of writing the figure to be carried, *small*, under the unit amount of the column which produced it. The second requires the addition of each separate column to be written down on a waste space, commencing with the right-hand column, and carrying to the next column, as in the usual method; these separate amounts placed in their order one under the other, will present in their unit figures, counting upward, the general result. The third method consists of the proper arrangement of the independent sum of each column, so that being again added, the proper result is secured.

EXAMPLES.

First Process.	Second Process.	Third Process.
1829.25	1st. column 50	50
748.18	2d. " 29	2 4
2562.28	3d. " 34	32 "
146.19	4th. " 39	36 "
2823.25	5th. " 39	36 "
7874.28	6th. " 19994.90	16 "
4291.83		19994.90
25.64		
19994.90		
823.25		

When the student becomes more accurate and self-reliant, he may feel justified in dispensing with all such aids; and particularly if his memory is sufficient to retain the carrying figure; but until he arrives at this desirable state of perfection, it becomes him to guard himself on every hand. Great proficiency in this regard may be readily acquired by practice, some accountants being able, very readily to cast up three and four columns of figures at once.

INTEREST.

Interest, in the accountant's vocabulary, means *the use of money*. The amount received or paid for interest is usually a percentage on the sum used, and is fixed either by contract or statute. *Per cent.* signifies *by the hundred*, and implies, in interest, so many cents on the hundred cents, so many dollars on the hundred dollars, etc. It is usual to reckon interest by the year; but it is always proper to express the time, as it is not necessarily understood.

In calculating *per annum* interest, it is customary to reckon 360 days to the year, and 30 days to the month; although in some states the whole number, 365 days, is reckoned to the year, and any number of days as a proportion of 365. In the State of New York the basis of 360 days to the year is fixed by law. The section reads thus: "For the purpose of calculating interest, a month shall be considered a twelfth part of a year and as consisting of thirty days; and interest for any number of days less than a month shall be esti-

COMMERCIAL CALCULATIONS.

ated by the proportion which such number of days shall bear to thirty." There are those, however, who consider interest reckoned on this basis as usurious, it being $\frac{1}{3}$ more than by the basis of 365 days to the year.

In the illustrations which follow we shall adopt the usual standard of 360 days.

The rate, or *per centage* of interest is established by law in most countries and states. Any excess over this rate is termed usury, for the exaction of which various penalties are prescribed.

The rate of interest in Pennsylvania, New Jersey, (except in Jersey City and Hoboken,) Delaware, Maryland, Virginia, North Carolina, South Carolina, Tennessee, Kentucky, Ohio, Indiana, Illinois, Iowa, Missouri, Arkansas, Mississippi, Florida, the six Eastern States, the District of Columbia, and on debts due the United States, is 6 per cent. per annum.

In New York, Michigan, Wisconsin, and Georgia, it is 7 per cent.

In Alabama, 8 per cent.

In California, 10 per cent.

In Louisiana, 8 per cent.

In most of the states the law permits a higher than the established rate, in cases of special contract.

In reckoning interest, at whatever rate, it is most convenient first to obtain it, for the given time, at 6 per cent., and then add or subtract for the difference. Particularly is this the case, where 360 days are reckoned to the year; 6 being an aliquot part both of 360, the number of days in the year, and 12, the number of months.

There are many processes of reckoning interest, all more or less worthy of thought; but we shall confine our practice to the one which, under all circumstances, we consider the best.

Taking as a basis 360 days to a year, 30 days to a month, and 6 per cent. per annum, we are easily led to the following conclusion: If 12 months produce 6 per cent., 1 month will produce one-twelfth of 6, or one-half of 1 per cent., and two months, 1 per cent. One per cent. of any amount, therefore, is the interest on that amount for 2 months, or 60 days, at the rate of 6 per cent. per annum. One per cent. being the one hundredth part of any amount, is easily obtained by dividing by 100, or, what is the same, cutting off two right-hand figures.

EXAMPLE 1.—Required the interest on \$3750, for 2 months, at 6 per cent. per annum.

Solution: $37 \mid 50$; or \$37.50

Having this starting point, the process of obtaining the interest for any given number of months or days becomes extremely simple.

EXAMPLE 2.—Find the interest on \$4675 for 3 months, 15 days, at 6 per cent.

Solution: $2 \mid 46 \overset{75}{75} = 2$ months,
 $2 \mid 23 \overset{375}{75} = 1$ month.
 $11 \mid 6875 = 15$ days.

 $81 \mid 8125$

REMARKS.—We first find the interest for 2 months by the process already given, which is \$46.75. Dividing this amount by 2, will give us the interest for 1 month, \$23.375; and this by 2 will give the interest for one-half a month, or 15 days, \$11.6875. By adding these results together, we get the grand result, \$81.81 +.

Should the number of days be no equal part of 60, nor of any other number for which the result is shown, it will be necessary to use such component parts as are equal parts of 60. Thus, if the number of days be 13, we can take 1 and 12, or 3 and 10; 1 being the sixtieth part, 12 the fifth; 3 the twentieth, and 10 the sixth of 60. If the number of days be 16, take 6 and 12, or 3 and 15, and so on.

From these remarks and illustrations, we are prepared to submit the following rule for reckoning interest on any given amount for any given time, at 6 per cent. per annum.

RULE.—Cut off two figures from the right of dollars in the principal, by a perpendicular line; the result will be the interest for 60 days, the dollars being on the left, and the cents and mills on the right of the line. Multiply this result by one-half the number of months required, to which add, for days, that proportion of the interest for 60 days which the given number of days is of 60.

The using of a perpendicular line for the separatrix is of more consequence than will appear at first view. All necessity for pointing off in the product is thus happily dispensed with, and the work is brought within

COMMERCIAL CALCULATIONS.

the smallest possible compass. For universal use, we do not know of a better rule for computing interest than the foregoing.

If the rate of interest be any other than 6 per cent., the proper proportions added to, or deducted from, 6 per cent., will, of course, produce the result. If 5 per cent., deduct $\frac{1}{6}$; if 7 per cent., add $\frac{1}{6}$; if 8 per cent., add $\frac{1}{3}$, or $\frac{1}{2}$; if 9 per cent., add $\frac{1}{2}$, etc.

DISCOUNT

Discount is an allowance made for the payment of a debt before it is due. The *present worth* of such a debt is that sum which being put at interest for the given time, would at the end of that time amount to the face of the debt.

Thus, if I owe \$100 due in one year, without interest, and money is worth 6 per cent. per annum, the *present worth* of the debt is \$100; because \$100 at 6 per cent. will amount in one year to \$106. The *discount* would, in such case, be \$6; which is the difference between the *present value* of the debt, and its value one year hence.

To find the *present worth* of any sum due at any given time and rate, it is only necessary to divide the sum by the amount of \$1 at the given rate and time. To find the *discount*, subtract the *present worth* from the given sum.

EXAMPLE 1.—What is the present worth of a note for \$750, due in 4 months, without interest, if the use of money is worth 6 per cent. per annum?

Solution.—The amount of \$1 for 4 months at 6 per cent. per annum is \$1.02; therefore, \$750 divided by \$1.02, will be the present worth:

$$750 \div \$1.02 = 735.29 = \text{present worth.}$$

The *discount* on the above note can be obtained by subtracting the present worth from the note, viz.: $50 - 735.29 = \$14.71$.

The rule and process above will obtain the *true discount*; but business custom varies from this standard. Business discount, as it is called, is simply interest on the face of the debt, taken in advance. Thus, if I owe \$100, due in one year without interest, when money is worth 6 per cent. per annum, and I wish to discount the debt, or pay it now, business custom warrants me in computing the interest on \$100 for the time, which interest is deducted from the debt, leaving the present worth, or the sum I am to pay. The interest for one year at 6 % on \$100, is \$6.36, which deducted from \$100, leaves as present worth \$93.64, instead of \$100, which, as before shown, is the *true worth*.

By this method I gain 36 cents, which, it will be seen, is the interest on the *true discount*, \$6 for 1 year. The difference between these two methods then, is, that by *true discount* the interest is considered due when the debt is due; while by *business discount* it is considered due when the debt is discounted.

EXAMPLE 2.—What is the present worth of a note for \$1500, due in 60 days without interest, when money is worth 6 % per annum; discount reckoned by the business standard?

Solution.—The interest on \$1500 for 60 days at 6 %, is \$15; which deducted from the face of the note, \$1500, leaves the present worth, \$1485.

There are various and conflicting opinions as to the legality of this mode of reckoning discount, but as it is almost universally used, both in banks and business houses, we must concede its practical authority.

EQUATION OF PAYMENTS.

EQUATION OF PAYMENTS, or AVERAGE, as it is more frequently called, is the finding of an *average* or *mean* time for the payment of several amounts, due at different times; and also, when the *balance* of an account having both debit and credit amounts, will average due, that no loss may be sustained by either party. The philosophy of equation is based upon the compound relation of *money* and *time*; or upon a recognition of the fact that the *value* of the use of money is in proportion to the *amount* used, and the *time* for which it is used. As a simple illustration: If the use of \$100 is worth a certain sum for one month, it is worth *twice* that sum for two months; or, if \$100 is worth a certain sum for one month, \$200 for the *same* time is worth *twice* as much.

COMMERCIAL CALCULATIONS.

EXAMPLE 1.—A owes B \$1200, payable as follows: \$100, in 30 days; \$400, in 60 days; and \$700 in 90 days. When will the entire debt average due?

Solution.—The question is, how long may \$1200 be used, to be equivalent to the use of \$100, for 30 days; \$400, for 60 days; and \$700 for 90 days?

The use of \$100 for 30 days is equal to the use of \$1 for	3000 days.
" \$400 " 60 " " " "	\$1 " 24000 "
" \$700 " 90 " " " "	\$1 " 63000 "
\$1200	90000

Therefore, the use of \$1 for 90000 days would be equivalent to the time to which A is entitled on his debt of \$1200. We have, then, this statement:

The use of \$1 for 90000 days is equal to that of \$1200 for 75 days.

The average time for the payment of A's entire debt, is 75 days hence.

We are thus enabled to give a general rule for finding the average time of payment of several amounts, due at different times.

RULE.—Multiply each payment by the number of days before it is due, and divide the sum of the products by the sum of the payments. The quotient will be the number of days (to be counted forward from the date of reckoning), to the average time of payment.

EXAMPLE 2.—Abram Jones purchased of Samuel Lincoln the following bills of merchandise:

Jan. 1, 1860,	a bill amounting	\$175.34
Apr. 15, " " "		\$338.25
Apr. 30, " " "		\$180.60
June 9, " " "		\$400.00

The term of credit on each purchase is 4 months. If Mr. Jones should propose to give his note for the full amount, due in 4 months from date, when should the note be dated?

NOTE.—To apply the foregoing, or any other adequate rule to a statement of this kind, it will be necessary first, to settle upon some date from which the time on each payment is to be reckoned. It is usually best to select the date, either of the *first* or *last* amount, and reckon backwards or forwards, counting the average time accordingly. As the purchases are all made on 4 months' time, and the note is to be drawn at 4 months, it will not be necessary to take either fact into consideration. If, in this case, we select the *first* date from which to count, we shall have the following solution:

Amounts.	Days before due.	Products.
175.34	× 0	= 0
538.25	× 104	= 55978.00
180.60	× 119	= 21541.40
400.00	× 189	= 63600.00
\$1294.19	)	141119.40 (108 + days.

The average is 108 days; which is the number to be counted forward from the date selected, Jan. 1. The note must be dated Apr. 19.

AVERAGING ACCOUNTS CURRENT.

An **ACCOUNT CURRENT** is a statement of the transactions between two parties, showing dates, items, and amounts, both debit and credit, during a certain period.

The *balance* of an Account Current is the difference between the debits and credits; or what one party is owing the other, as indicated by the items.

To *average* an Account Current is to fix the date when the *balance* is due. The adjustment is called "Compound Equation," or "Compound Average." The usual process is, first to average each side of the account; and then multiply the amount earliest due by the number of days between the average dates, and divide the product by the balance of the account. The quotient will be the number of days from the latest date, when the balance will average due; to be counted FORWARD if the amount latest due is the larger, and BACKWARD if the amount latest due is the smaller.

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A better process than this, we think, because more easily comprehended and practical, is the averaging by interest. Not having space to exemplify more than one method, we shall choose the latter.

EXAMPLE 1.—The following account is found on my Ledger. The amounts on each side are supposed to be due at their several dates. When is the balance due?

JOHN ANDERSON.							
Dr.				Cr.			
Jan.	15	To Mdse	275	Feb.	1	By Cash	500
Apr.	10	"	650			Balance	425
			925				925

Solution.—First assume the date of settlement to be the latest date on which any amount, debit or credit falls due, and reckon interest on the debit and credit items to that date, viz :

Credit.—The interest on \$500 from Feb. 1 to Apr. 10, @ 6 %, is \$5.75.

Debit.—The interest on \$275 from Jan. 15 to Apr. 10, @ 6 %, is 2.90.

Excess of credit interest, \$1.85.

It will thus appear that on the assumed date of settlement, April 10, Mr. Anderson owed me \$925 of account, and \$2.90 interest; while I owed him \$500 of account, and \$5.75 interest. In other words: he owed me the balance of the account (\$425) less the balance of interest (\$1.85). It would be very easy to settle the account at this date, provided the rate of interest was satisfactory, by deducting the balance of interest from the balance of account; but, instead of this, it is proposed that Mr. Anderson pay me the *exact balance* shown to be due by his account, at *such time* as will secure an equitable adjustment of the interest. It will be evident that were he to pay me the balance of account on the assumed day of settlement, April 10, he would be the loser of the balance of interest due him at that date. The simple question then, is, how long may he retain the balance of account (\$425), to accumulate the balance of interest (\$1.85)?

First ascertain how much the balance of account will accumulate in *one* day, and divide the balance of interest by it: the quotient will be the number of days which the balance may be held.

The interest on \$425 for one day, at 6 % per annum, is \$.0708:

Then, \$1.85 ÷ \$.0708 = 26 + = the number of days.

In 26 days from April 10, then, which will be May 6, Mr. Anderson will owe me, by average, the balance of his account, \$425.

EXAMPLE 2.—When will the balance of the following account average due, assuming the different items to be due at their several dates?

ALONZO MITCHELL.							
Dr.				Cr.			
May	1	To Mdse	185	June	1	By Cash	400
"	15	"	750	"	15	"	200
July	1	"	475			Balance	810
			1410				1410

Solution.—Assuming the date of settlement to be July 1, we have:

Debit Interest.

\$185 from May 1, to July 1—2 mo., . . . \$1.85
\$750 " " 15, " "—1 mo. 15 da., \$5.53 \$7.48

Credit Interest.

\$400 from June 1 to July 1—1 mo. . . \$2.00
\$200 " " " "—15 da. . . \$0.50 \$2.50

Leaving the excess of debit interest, \$4.98

On July 1, the assumed date of settlement, therefore, Mr. Mitchell owes, not only his balance of account, (\$810) but a balance of interest, (\$4.98.) It is evident, then, that the balance of account has been due long

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enough to accumulate this interest. What is the time required? By the process already shown, we ascertain the time to be 87 days; which reckoned back from July 1, will make the average date May 25.

From the foregoing examples, we adduce the following rule for obtaining the date when the balance of an account will average due:

RULE.—Assume as the date of settlement the latest date at which any amount, debit or credit, falls due; ascertain the balance of interest due at that date, at any given rate, and how long it will take the balance of account to accumulate this interest, at the same rate. The answer will be the time before or after the average date. If the balance of interest, and the balance of account are on the same side, reckon BACKWARD; if on opposite sides, reckon FORWARD.

NOTE.—Although to average an account is to obtain a date when no interest is due from either side, yet the important principle recognized is, that the use of money is valuable to the user, in the compound rate of time and amount; and the real achievement of any correct process of average, is to make the value thus determined, on one side, balance that on the other. For this reason, the rate of interest is unimportant, so long as the same rate is used on both sides. We have chosen 6 %, because it is more easily obtained.

Any other time may be assumed for the date of settlement, as well as "the latest date at which any amount falls due," but, for evident reasons, this date is preferable.

We will now apply the foregoing rule in averaging the time for the payment of net proceeds in a few of the Consignment and Mdee. Co. accounts in the body of the work.

EXAMPLE 3.—Account Sales of Flour and Wheat sold on % and risk of J. R. Wheeler & Co. (Page 71.)

Date.	Article.	Amount.	Time.	Interest.	Date.	Article.	Amount.	Time.	Interest.
Mar. 3	To Cash . . .	100	86 da	1 10	Mar. 6	By Cash . . .	7800	62 da	77 50
" 6	Storage, etc. .	328	83 da	3 36	May 7†	" . . .	4800		
	Net proceeds .	11878		73 04					
	Bal. Interest .			77 50			12000		77 50
		12000							

Balance of account (\$11878); and balance of interest (\$73.04) on the same side. Ascertain the time it will take \$11878 to accumulate \$73.04, and count backward. Ans, 88 days before May 7, or March 30.

EXAMPLE 4.—Account Sales of Nails and Lead, sold on joint % of Logan, Wilson & Co., and ourselves, each ‡. (Page 110.)

Date.	Article.	Amount.	Time.	Interest.	Date.	Article.	Amount.	Time.	Interest.
Apr. 3	To Cash . . .	100	88 da	60	Apr. 6	By Cash . . .	1400	34 da	7 98
" 6	Storage, adv. .				May 9	" . . .	3300		
	Com. and Gain†	463 75	33 da	2 55					
	Net proceeds .	4186 26		4 78					
	Bal. of Interest			7 98			4700		7 98
		4700							

Balance of account, \$4186.26; balance of interest, \$4.78. Time from date of settlement, (May 9,) reckoned backward, 7 days. Equated time, May 2.

* The Commission, Storage, etc., is assumed to be due when the account is rendered.

† This is the assumed date of settlement, as the note given March 5, falls due at this time.—See Account Sales.

‡ It must not be forgotten, that although the consignee is, in this case, a partner, his account is rendered simply as an agent, or consignee. In this view, his own share of the net gain is as much a part of the "charges" as is his claim for commission. In all these statements of Company sales, we have considered the invoice furnished by the consignor as subject to the same time of settlement as the average sales. The fact in all such matters should properly be stated in the partnership contract. If the consignee's share of the invoice is considered due when the property is shipped, it will, of course, vary the time of equation.

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EXAMPLE 5.—Account Sales of Vinegar, Linseed Oil, and White Lead, sold on joint % of W. K. Sadler and ourselves, each $\frac{1}{2}$. (Page 111.)

Date.	Article.	Amount.	Time.	Interest.	Date.	Article.	Amount.	Time.	Interest.
May 1	To Cash	50	63 da	53	May 8	By Cash	780	60 da	7 50
" 3	Storage, Adv.				July 3	"	2370		
	Com. and Gain	189	60 da	1 89					
	Net proceeds	2361							
	Bal. of Int.			8 09					
		3120		7 50			3120		7 50

Balance of Account, \$2361; balance of interest, \$8.09. Time from date of settlement, (July 3), 13 days, reckoned backward 13 days. Equated time, June 20.

EXAMPLE 6.—Account Sales of Sugar, sold on joint % of F. A. Boyle & Co., N. O., Campbell & Strong, and ourselves, each $\frac{1}{2}$. (Page 111.)

Date.	Article.	Amount.	Time.	Interest.	Date.	Article.	Amount.	Time.	Interest.
May 1	To Cash, paid For's	500	2 da	17	May 8	By Cash, Note, etc.	7500 00		17
" 8	Storage, Adv. etc.	237 50				Bal. of Int.			
" 8	Our net gain	234 17							
	Net proceeds	5508 33							
		7500 00		17			7500 00		17

Balance of account, \$5508.33; balance of interest, \$0.17. The time it would take for the balance of account to accumulate this interest would be much less than one day. Equated time, May 8.

NOTE.—It must be borne in mind that the *net proceeds* above comprise the amount due to *both* of the other parties. In equating time on an Account Sales—whether the consignee is a partner or not—the *net proceeds*, or "balance of account" should be the difference between the charges (including the consignee's share of the gain, when he is a partner,) and the gross proceeds. This is upon the supposition that the consignee's share is subject to the same terms of payment as the net proceeds.

ACCOUNT CURRENT, AND INTEREST ACCOUNT.

The following illustrations are based upon an understanding between the parties that all amounts, debit and credit, shall draw interest after due, at a specified rate. The settlement may be effected at any time and interest adjusted as per agreement. This method is preferred by some to that of averaging payments. The form will be sufficient without specific instruction:

Dr.					Cr.				
P. R. SPENCER, IN ACCOUNT CURRENT AND INTEREST WITH R. S. & P., April 10, 1860.									
1860		Amount.	Days.	Interest.	1860		Amount.	Days.	Interest.
Jan. 1	To Mdee . . .	500	100	3 33	Feb. 1	By Cash . . .	675	60	7 75
" 10	" . . .	475	91	2 46	" 15	" . . .	400	55	3 45
" 15	" . . .	700	86	10 03		Bal. of Int. . .			10 20
Mar. 1	" . . .	870	40	5 80		Bal. Due . . .	1480 30		
	Bal. of Int. . .	10 20							
		2555 20		21 62			2555 20		21 62
Apr. 10	To Balance . .	1480 30							

NOTE.—The rate of interest taken in the above is 6 %. The debit interest exceeds the credit interest on the day of settlement, \$10.20, which amount is brought forward to increase the debit side of the account.

The statement on the following page is somewhat more complex, owing to the necessity of both debit and credit interest columns on each side. We think this form altogether preferable to the one used by most authors, necessitating the frequent transfer of interest from one side of the account to the other.

2

[illegible]

As the settlement takes place before several amounts on either side are due, interest must be debited from, instead of added to, such amounts. This is effected by the double entry in the following manner:—

SAVE ACCOUNT AVERAGED.

[illegible]

The balances of account and balance of interest being on opposite sides, the balance of account must be held until it accumulates the balance of interest, which is 46 days, nearly. The account will, then, average due in 46 days from December 1 or January 16, 1860. To make these two processes prove each other, it is only necessary to ascertain what would have been due had the account been paid, *in* the previous supposition, on September 1. Deduct the interest on \$1025 for 127 days, from \$1025. The result will be within a fraction of the amount shown to be due at that date on the former account, \$1001.74.

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PARTNERSHIP SETTLEMENTS.

The adjustment of accounts between partners involves, often, the nicest discriminations, and the most thorough appreciation of the various bearings of different entries.

The basis of all such settlements is, of course, the original agreement or contract between the parties; the terms of which should always be of the most plain and unequivocal nature.

A few points, only, need be expressed in a partnership contract; among which are:

First. The amount to be invested by each partner.

Second. The services to be rendered by each, and the compensation to be allowed therefor.

Third. The basis of gain or loss, and the proportion to be shared by each partner.

It is frequently the case that partners, desiring to have everything *expressed* in the contract, and not appreciating the full bearing of certain conditions, defeat their own purposes, by making the terms themselves incompatible. In such cases, the construction should be in accordance with the evident *intent* of the parties.

The difficulties existing in partnership settlements are so irregular, that any attempt at supplying competent rules to meet every case, would be preposterous. It is, however, possible to give such general hints and illustrations as will apply in the majority of cases; a thorough knowledge of the principles of accounts, with sufficient common sense to apply them, must do the rest.

The following general statements, although many of them are self-evident, will serve a purpose in the solutions under this head:

1. The *present worth* of a concern is its net resources; or the excess of its resources over its outside liabilities.

To find the present worth, subtract the liabilities from the resources; or, ascertain the original investment, to which add the net gain, or from which subtract the net loss.

NOTE.—If the liabilities exceed the resources, the difference is the *net insolvency*.

2. The *net investment*, in business, is the amount invested, less the amount drawn out by the partners.

3. The *average investment* is a sum which being kept in the business during the specified time, would be equivalent to the actual investments, in the compound ratio of time and amount.

To ascertain the average investment, multiply each investment by the time of its continuance in the business, and divide the sum of the products by the time for which the average is wanted. The most satisfactory proof is to compute the interest on each investment for the time of its continuance, which must be equal to that on the average investment for the specified time of average.

4. The *gain or loss* during a certain period of business is measured by the increase or diminution of the net resources for that time.

To ascertain the net gain or loss, get the difference between the *net investment* and the *present worth*. If the present worth is the larger, the difference is a *gain*; if smaller, a *loss*.

EXAMPLE 1.—A and B are partners, commencing with a joint capital of \$10,000. The terms of the contract are that A shall receive $\frac{1}{3}$ and B $\frac{2}{3}$ of the net gain. At the close of the year, when the division is to be made, the resources and liabilities stand thus:

<i>Resources.</i>		<i>Liabilities.</i>	
Cash,	\$5793.25	Bills Payable,	\$3000
Merchandise,	3800.00	Personal Accounts,	1500
Bills Receivable,	1800.00		\$4500
Personal Accounts,	5500.00		
	<u>\$16293.25</u>		

What proportion of the net resources belongs to each partner?

Solution.—First ascertain the net gain, by subtracting the investment from the present worth, viz:

Total Resources,	\$16293.25
Less Total Liabilities,	4500
Leaves Present Worth,	\$11793.25
From which subtract investment,	10000
Leaving Net Gain,	\$1793.25

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Then add each partner's share of the gain to his share of the investment, viz.:

$\frac{1}{2}$ of \$1798.35 = \$ 849.17, B's share of gain.
 $\frac{1}{2}$ " " = 849.18, A's " "

A's Investment,	\$8000
Plus his Gain,	1844.94
Equals his Present worth,	\$2844.94
B's Investment,	\$8000
Plus his Gain,	448.31
Equals his Present Worth,	8448.31
Total Present Worth, as before shown,	\$11798.35

EXAMPLE 2.—C, D and E invested as follows:

C put in \$4000, and drew out \$ 700
D " 8000, " 825
E " 4800, " 1000

The gain in business is \$1500, of which each is to share $\frac{1}{3}$. What is the interest of each in the business at closing? Ans. C's, \$3800; D's, \$4675; E's, \$4000.

EXAMPLE 3.—F, G and H are partners. They invest in equal amounts. At the close of the year their resources exceed their liabilities \$27000; and their gains have been \$4000, of which F is to share $\frac{1}{3}$; G, $\frac{1}{3}$; and H, $\frac{1}{3}$. What was the capital of each at commencing? What, at closing?

NOTE.—The capital at commencing, subtracted from the capital at closing, will equal the net gain; and, consequently, the net gain subtracted from the capital at closing, or present worth, will equal the capital at commencing, or the net investment.

Ans. to the above: F's capital at commencement, \$7666.66 $\frac{2}{3}$; G's and H's the same. F's capital at closing, \$8333.33; G's, \$9000; H's, \$9666.67.

EXAMPLE 4.—A and B are partners, investing equally, and sharing equally in gains or losses. At commencing business, their resources and liabilities are as follows:

Resources.		Liabilities.	
Cash,	\$8000	Bills Payable,	\$3000
Mdse.,	1475	Personal accounts,	125
Bills Receivable,	750		\$3125
	\$7225		

At closing, as follows:

Resources.		Liabilities.	
Cash,	\$7000	Personal accounts,	\$1800
Bills Receivable,	2000	Bills Payable,	8000
	\$9000		\$4500

What is the whole gain or loss? What each man's net capital at closing?

EXAMPLE 5.—K and L enter into partnership, with the understanding that the gain or loss shall be divided in proportion to the average investment. They remain in business one year, during which time they have invested and drawn out as follows:

K.		L.	
Drawn out.	Invested.	Drawn out.	Invested.
Jan. 15, . . . \$500	Jan. 1, . . . \$7000	Jan. 31, . . . \$400	Jan. 1, . . . \$8000
July 1, . . . 850	Mar. 1, . . . 6000	Apr. 15, . . . 2000	July 1, . . . 4000
Aug. 31, . . . 2000		Sept. 15, . . . 500	

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At the close of the year their resources and liabilities are as follows:

<i>Resources.</i>		<i>Liabilities.</i>	
Cash,	\$5100	Bills Payable,	\$1800
Bank Stock,	4000	Personal accounts,	1700
Real Estate,	7500		
Bills Receivable,	4000		
Personal accounts,	3000		

What is each man's share of the gain? What each man's capital at closing?

Note.—There are two methods of obtaining a basis for the division of gains or losses under such an arrangement as the preceding: one, to ascertain, according to previous suggestions, the *exact* average capital of each partner; and the other, to compute the interest on the investments, which assume as *relative* capital. The latter is preferable, when the only object is a basis for division; first, because interest is more easily obtained than the average capital, and next, because it is more easily used when obtained. We shall briefly illustrate both methods.

First Solution.—Multiply each investment by the time of its continuance, and divide the sum of these products by the time for which the average is wanted:

K's Investments.

\$7000 from January 1, to January 15, $\frac{1}{2}$ month	= \$3500
6500 " " 15, " March 1, $1\frac{1}{2}$ "	= 9750
12500 " March 1, " July 1, 4 "	= 50000
11850 " July 1, " August 31, 3 "	= 35550
6850 " August 31, " December 31, 4 "	= 27400
	<u>\$122350</u>

$\$122350 \div 12 = \10195.83 , K's average investment.

L's Investments.

\$3000 from January 1, to January 31, 1 month	= \$3000
7600 " " 31, " April 15, $2\frac{1}{2}$ "	= 19000
8600 " April 15, " July 1, 2 "	= 14000
9600 " July 1, " September 15, $2\frac{1}{2}$ "	= 24000
9100 " September 15, " December 31, $3\frac{1}{2}$ "	= 31850
	<u>\$96850</u>

$\$96850 \div 12 = \8070.83 , L's average investment.

K's average investment,	\$10195.83
L's " " " " " " " " " "	8070.83
Total " " " " " " " " " "	<u>\$18266.66</u>

We have, then, the familiar formula: "As the whole investment is to each man's investment, so is the whole gain or loss to each man's share of the same."

Operation.

$$\begin{aligned} \$18266.66 : \$10195.83 :: \$2400 : \$1597.75 &= \text{K's share,} \\ 18266.66 : 8070.83 :: 2400 : 1502.24 &= \text{L's "} \end{aligned}$$

Second Solution.—Compute the interest on each investment for the time of its continuance, and take the interest due each partner as his relative investment; and proceed as with the average investment.

K's Interest Account.

Interest on \$7000 from January 1, to January 15, $\frac{1}{2}$ month	= \$17.50
" 6500 " " 15, " March 1, $1\frac{1}{2}$ "	= 48.75
" 12500 " March 1, " July 1, 4 "	= 250.00
" 11850 " July 1, " August 31, 3 "	= 118.50
" 6850 " August 31, " December 31, 4 "	= 177.00
	<u>\$611.75</u>

E's Interest Account.

Interest on \$2000 from January 1, to January 31, 1 month =	\$4.00
" 9400 " " 31, " April 15, 3 " =	95.00
" 8400 " April 15, " July 1, 3 " =	70.00
" 9400 " July 1, " September 15, 3 " =	120.00
" 9100 " September 15, " December 31, 3 " =	159.25
	<u>\$404.25</u>

$$1098 : 444.25 :: 3400 : 1802.34 = L's \text{ "}$$

L's net investment is,	\$980.00
" " gain	1897.76
" " capital at closing,	\$10747.76
L's net investment is,	\$9100.00
" " gain	1503.34
" " capital at closing,	\$10603.34
Present worth of firm,	\$21300.00

The plan of dividing gains and losses in proportion to investment is not adopted, to any great extent, in general copartnerships, but is peculiar to joint-stock concerns, where it is estimated as a *percentage*, the result being precisely the same as by the above method. It is much more easy to declare a percentage dividend in joint-stock concerns, for two especial reasons: first, the capital does not fluctuate—the amount of stock which a man holds being always his *average* investment—and next the gains are not usually all divided; so that an *exact* percentage may be divided, leaving the balance of gain as a sinking, or accumulating fund.

The more usual basis of a partnership contract is, first, to equalize the capital by allowing each partner interest on his average investment, and then to divide the net gain or loss in certain proportions independent of capital. The following examples will illustrate this point.

A.		B.		C.	
<i>Drawn out.</i>	<i>Invested.</i>	<i>Drawn out.</i>	<i>Invested.</i>	<i>Drawn out.</i>	<i>Invested.</i>
May 1, . \$200	Jan. 1, . \$4000	Jan. 15, . \$150	Jan. 1, . \$5000		Jan. 1, . \$10000
	Mar. 1, . 7000	Apr. 1, . 200	April 1, . 6000		

Solution.—Ascertain the interest due each on his investment, which deduct from the gain, leaving the amount to be divided *equally*. Add each man's interest to his $\frac{1}{2}$ net gain to obtain his share of the \$1800. Add each man's share thus found to his net investment, to obtain his interest in the business on the first of July.

COMMERCIAL CALCULATIONS.

Operation.

A's credit interest, \$4000, for 6 months —	\$180.00	
7000, " 4 " —	140.00	\$320.00
" debit " 300, " 8 " —		8.00
A's net interest,		\$327.00
B's credit interest, \$4000, for 6 months —	\$180.00	
3000, " 8 " —	78.00	\$258.00
" debit " 150, " 8 ½ " —		4.13
300, " 8 " —		8.00
B's net interest,		\$17.87
C's credit interest, \$10000 for 6 months,		\$600.00
Total interest due partners,		\$774.87

\$1500 — \$774.87 = \$725.13, net gain to be divided equally; viz: $\$725.13 \div 3 = \241.71 .

A's net interest,	\$327.00	B's net interest,	\$17.87	C's net interest,	\$600.00
" ½ net gain,	\$41.71	" ½ net gain,	\$41.71	" ½ net gain,	\$41.71
" share of total gain,	498.71	" share of total gain,	49.88	" share of total gain,	\$41.71
" net investment,	10700.00	" net investment,	\$850.00	" net investment,	10000.00
" capital, July 1,	\$11198.71	" capital, July 1,	\$10109.88	" capital, July 1,	\$10841.71

NOTE.—In a set of Double-Entry Books, a settlement like the above would be easily effected, by carrying the interest allowed the first partners directly to the debit of Loss and Gain account, the same as any other expense which would leave in the Loss and Gain account the net gain to be divided. If we take into account the fact that the investment is borrowed from the partners, who receive interest thereon, the same as on money loaned to other parties, the proposition is simple enough. It is always proper, whether practiced or not, to deduct the interest on investment, as well as the salaries of the partners—if they are entitled to any—from the gains, before attempting to decide upon the prosperity of the business.

EXAMPLE 8.—A, B, C, and D are partners. The contract provides that A and B are to furnish the capital, and C and D to defray the expenses. The gain is to be divided as follows: A, ½; B, ¼; C, ¼; and D, ¼. The net gain, besides expenses, is \$4000; the expenses, which have been paid from the business, are \$500. How much of the net gain is each partner entitled to?

Solution.—It would seem at first view, that there is a hopeless incompatibility in this contract. It is true that if \$4000 be assumed as the gain, to be divided among the four partners, injustice would be done to A and B, as they were not to participate in the expenses; and it will readily appear that if C and D had paid the expenses from their own pockets, instead of from the avails of the concern, the gain would appear \$500 more. So far, then, as A and B are concerned, the net gain is \$4500.

½ of \$4500 = \$2250, A's share of the gain.
¼ " 4500 = 1125, B's " " "
¼ " 4500 = 1125, C's " " "
¼ " 4500 = 1125, D's " " "

C and D are charged with the expenses, \$500, which deducted from their share of the gain as above, will result:

\$1125 — \$250 = \$875, C's share of the \$4000.
750 — 250 = 500, D's " " "

NOTE.—There are, in reality, two distinct contracts to be regarded in the above adjustment; one for the payment of the expenses, and the other for the division of gain; and they should by no means be made to conflict. The difficulty which the tyro would be apt to encounter, would be the attempt to divide what seems to be the net gain—\$4000. The fact is, C and D had no right to charge the expenses to a general account of the concern, thereby reducing the gains, but should have charged their own personal accounts, the same as for money drawn for any private purpose. The net gain is really \$4500, and each partner should receive his appropriate share. As C and D have already received each \$250, it should be deducted from their gain.

COMMERCIAL CALCULATIONS.

EXAMPLE 9.—Three methods of adjusting interest between partners.—X, Y, and Z enter into equal partnership with equal capital, each man to receive interest on his average investment. X's interest amounts to \$200; Y's, to \$180; and Z's to \$180. How can the adjustment be made?

First.—The total amount of interest may be charged to Loss and Gain account, which being divided equally between the three partners, each of whom are credited for their respective portions, will produce the following results

Dr.	X Cr.	Dr.	Y Cr.	Dr.	Z Cr.
243.33	200	243.33	180	243.33	180

Second.—X's and Y's excess of interest over Z's may be charged to Loss and Gain account, and they credited with the same; the Loss and Gain account to be shared equally as before, viz.:

Dr.	X Cr.	Dr.	Y Cr.	Dr.	Z Cr.
83.33	180	83.33	70	83.34	180

Third.—A Journal entry may be made direct, without taking the amount to the Loss and Gain account, viz.:

Dr.	X Cr.	Dr.	Y Cr.	Dr.	Z Cr.
	56.67		6.67	83.34	

It will be seen that the debits and credits are the same in each of the three methods, clearly proving the essential identity of the different results. The former method is, perhaps, preferable, because more readily understood and applied.

EXAMPLE 10.—A, B and C enter into copartnership with equal capital, upon the following conditions: A to receive as a salary \$1800; B, \$1200; and C, \$1000; the gain to be divided equally. At the close of the year, the net gain, exclusive of salaries, proves to be \$3000. To how much of this amount is each partner entitled?

Solution.—It will be plainly seen that had the partners received their stipulated salaries and the total been carried to Expense %, instead of a gain of \$3000 there would have appeared a loss of \$700. The provisions of the contract are that the "gains shall be divided equally;" and it may be proper to suggest, that if there be losses instead of gains, the proportion must be the same. We have, then, the following result:

A's salary,	\$1800	A's $\frac{1}{3}$ net loss, \$233.33; B's, \$233.33; C's, \$233.34.
B's " " " " " " " "	1200	Therefore, \$1800—\$233.33 = \$1566.67, A's share.
C's " " " " " " " "	1000	1200—233.33 = 966.67, B's "
From which deduct gain,	3000	1000—233.34 = 766.66, C's "
Leaves net loss,	\$700	Total, . . . \$3000.00

A common fallacy with reference to settlements like the above, would be to divide the \$3000 in proportion to the salaries. The reasoning would be this: If there had been earned just \$3700, A would have received \$1800; B, \$1200; and C, \$1000; therefore, if there be less than enough to pay these amounts, it should be divided in the same proportion. The solution, according to this understanding, would be as follows:

\$3700: \$1800:: \$3000: \$1216.32, A's share.	
\$400: 1200:: 3000: 972.97, B's	"
\$700: 1000:: 3000: 810.81, C's	"
Total,	\$3000.00

The remedy for all such misconceptions is to understand the distinction between the separate contracts in the copartnership. The apportionment of salary, in the above case, is *absolute*, and is not at all contingent upon the gain or loss. To appreciate this fact fully, suppose the salary is to be paid to clerks instead of to the partners; the result would be a loss of \$700, as shown in the first statement. The partners act in the double capacity of proprietors and employes; as employes, they *gain* each the amount of his stipulated salary; as proprietors, they *lose* each $\frac{1}{3}$ of \$700.



GENERAL HINTS AS TO DIVIDENDS.

GENERAL HINTS AS TO DIVIDENDS.

It is customary with all establishments to declare, periodically, the gains or losses in business. Joint-stock companies usually do this twice a year, and all other concerns as often as once a year. It is well to consider, in all such cases, not only what *appears* to be the condition of the business with reference to gains and losses, but what that condition really is. It is not impossible that the Representative accounts should make a fair show of prosperity, while the state of available resources would plainly indicate an entirely different state of affairs. For instance, the credit side of Merchandise account may exhibit a commendable preponderance over the debit side, showing thereby a gain; while the resources which that credit produced may have a fictitious value. Suppose the merchandise to have been sold on notes and personal accounts which are not worth more than half what their Ledger titles express. It will be evident that the Merchandise account exhibits a fictitious gain of exactly the amount of such depreciation of resources; and any dividend declared on such a basis would be false to that extent; as it would fall, by so much, of being realized. The question, then, arises, Would it be best to dispose of these doubtful accounts by carrying their deficiency to Loss and Gain? Such a course would doubtless be legitimate, were it possible to determine just *how worthless* the accounts were, or how much of them it would be safe to retain as absolute resources. This uncertainty would suggest the propriety of permitting them to remain upon the Ledger until their worth could be ascertained; besides, it would scarcely be advisable to close up a personal account so long as any chance remains of realizing it. What, then, is the best method of retaining these doubtful accounts on the Ledger, and yet avoid showing a fictitious gain? The most satisfactory plan of which we have a knowledge, is to open a general account to represent liabilities; as, for instance, "Suspense," or "Sinking Fund" to the credit of which carry all doubtful resources, debiting Loss and Gain with the same. It is well understood that a liability will cancel a resource, and *vice versa*. As the "Suspense" account would thus be considered a liability, it would, of course, offset just so much of what appears elsewhere as resources; and thus permit the dividend to be made from the actual gain. In all cases, however, where resources have been thus canceled, there should be some method of knowing which they are, that if any thing is thereafter realized on them, "Suspense" account may be charged and Loss and Gain credited.

The result of this arrangement would be to guard, in the most effectual way, against excessive dividends, and to exhibit perpetually the accounts in "suspense," without exciting the suspicion of the parties from whom we may hope, eventually, to realize a fair proportion, at least, of the amounts shown to be due.

Where the object is simply to declare dividends due partners that are to continue in the same relation, it is not necessary to be very exact in these estimates; but if the purpose be to arrive at the actual condition of the business with a view to changing the relations of proprietorship, it will be necessary to estimate the *real value* of such doubtful resources, or as nearly as possible.

The plan usually adopted of closing all doubtful resources into "Suspense" is not only injurious, but utterly useless, as the Suspense account must then represent a resource or a loss. If a resource, the accounts may as well have remained under their proper titles, and if a loss, they should have been carried directly to Loss and Gain. But the chief objection to such a course would be the exhibiting of accounts as closed which are yet owing, and may be paid. If Mr. A., for instance, whom we have thus considered doubtful, should desire to see his account on our Ledger, that he may pay it, it might be awkward to inform him that, having considered his account worthless, we had carried it to Loss and Gain. He might not desire to contribute so directly to our profit.

In Joint-stock concerns, particularly, where the settled policy is, under no circumstances to decrease the capital stock, a "Suspense," or "Sinking-Fund" account is exceedingly proper; and it is well, under such circumstances, to carry to such account, not only the resources which are doubtful, but a sufficient amount to cover all contingencies. It is quite as easy to estimate the *real value* of a "Sinking Fund" account as that of any doubtful resource, and in case an *exact* statement of the condition of the concern is wanted, any excess which may have been transferred hither may be easily restored.

QUESTIONS FOR REVIEW.

QUESTIONS FOR REVIEW.

STOCKS.—PAGE 186.

1. Where, and in what year did the public funding system originate? 2. When was it introduced into Florence? 3. When, into England? 4. What is thought of the effect of the public debt in England? 5. Under what circumstances would a heavy public debt be beneficial to a country? 6. To what does the term *Stocks* apply in England? 7. To what in this country? 8. Into how many classes may Stocks be divided, and what are they? 9. Define *Interest Stocks*? 10. *Dividend Stocks*? 11. Upon what does the earnings of *Interest Stocks* depend? 12. Upon what, *Dividend Stocks*? 13. Which of these two classes figures most extensively in the Stock market? 14. What causes produce fluctuation in *Interest Stocks*? 15. Why are the Stocks of the United States, declaring a certain percentage, more valuable than those of other corporations declaring the same? 16. What is the true basis of value in *Dividend Stocks*? 17. Can the value of *Dividend Stocks* be estimated upon any correct statement of past earnings? 18. Why do Railroad Stocks, producing 8 % per annum, sell for less than Government Stocks producing 5 %?

JOINT-STOCK BUSINESS.—PAGE 189.

19. Does the theory of Joint-Stock concerns differ from that of individual or copartnership business? 20. What is the prime object in all? 21. To what are the means of joint-stock concerns usually applied? 22. How is the capital of a joint-stock concern divided? 23. By whom is it held? 24. When are these shares said to be *at par*? 25. When at a premium? 26. When at a discount? 27. Why do joint-stock concerns have an importance in communities not shared by private companies? 28. In what particulars are banks more intimately connected with the public than other joint-stock associations? 29. What are the restrictions thrown around banks? 30. What are their peculiar privileges? 31. Will you explain how "Loss and Expense" may be considered a resource? 32. To what should the dividends in all joint-stock concerns conform?

EXCHANGE.—PAGE 191.

33. What is meant by the term *Exchange*? 34. How is exchange effected? 35. What is a Bill of Exchange? 36. Who are the parties to a Bill of Exchange, and what are they called? 37. Of what does Domestic Exchange consist? 38. Foreign Exchange? 39. How are Foreign Bills of Exchange remitted? 40. Will you give the form of a Set of Exchange? 41. What are the negotiable conditions of a Bill of Exchange? 42. What is the intrinsic *Par of Exchange*? 43. What is the intrinsic value of the English sovereign? 44. What is the exchange value? 45. The commercial value? 46. The Custom-House value? 47. Upon what does the fluctuation of exchange depend? 48. In making remittances to foreign countries, is it always best to remit by the direct route? 49. How is the value of remittances by the indirect route determined? 50. What is the peculiarity of an individual note? 51. Of a joint note? 52. Of a joint and several note? 53. Of a principal and surety note? 54. Of a chattel note? 55. Of a non-negotiable note? 56. What is the custom in this country respecting grace on bills? 57. If the last day of grace falls on Sunday or other legal holiday, when must the note be paid? 58. What is the regulation respecting presentment? 59. When are notes "on demand" legally due? 60. What is necessary to render a note negotiable? 61. How does a draft differ from a note? 62. To what does the term *right* in a draft refer? 63. What is the distinctive feature of due-bills? 64. What is the difference between a certificate of deposit and a certified check? 65. What are the different forms of checks? 66. What advantage has a check drawn "to order" over one drawn "to bearer"? 67. Under what circumstances are drafts and checks drawn? 68. Are drafts ever drawn against special consignments?

VOCABULARY OF MERCANTILE TERMS.

A **BANDONMENT**, the surrendering of a ship or goods insured, to the insurer.

Abatement, discount allowed on damaged goods, or for the payment of money before due.

Acceptance, the formal agreement to pay a draft or bill according to its terms.

Accommodation, the loan of money or of one's name upon which money may be raised.

Account, a systematic arrangement of debits and credits under the name of a person, species of property, or cause. Book-keeping is the science of Accounts.

Account-Current, a running, or unsettled account.

Accountant, one skilled in Accounts, or engaged in keeping books.

Actuary, the active officer in a Life Insurance company; one skilled in the science of annuities.

Adjustment, the settlement of a loss incurred by the insured; a general settlement.

Administrator, one who administers upon an estate, by order of the Probate Court.

Adulteration, the act of debasing by mixing any spurious commodity with a genuine article.

Ad valorem, according to the value; a term used in fixing the rates of duties on imports.

Adventure, a speculation; usually applied to the shipment of goods on account of the shipper.

Advance, increase in price; money paid on goods before they are delivered.

Advice. Information given with reference to a shipment or other important matter.

Agent, one who acts; usually applied to a person who does business for, and in the name of another.

Agrio, a term used to denote the difference between the real and nominal value of money.

Allowance, deduction made from weights, etc. [See *Thru*.]

Amalgamation. The operation of forming amalgam; mixing mercury with any metal.

Ante-date, to date beforehand.

Appraisal, a value set upon goods or property of any kind.

Appraiser, one who appraises.

Aqueduct, a channel or conduit for the conveyance of water.

Arbitration, the hearing of a cause between parties in controversy; estimating the value of exchange, negotiated through indirect channels.

Assay, the trial or proof of the purity of metals.

Assets, resources of any kind; available means.

Assessment, a valuation of property or profits, for the purpose of taxation.

Assessor, one who assesses or values property.

Assignee, a person properly appointed to transact business, or receive property for, or on account of any person or estate.

Assignor, one who makes an assignment or transfers property or interest.

Assignment, the act of making over property or trust to an assignee.

Association, the union of persons in company, for the transaction of business.

Assortment, a variety of sorts or kinds, adapted to various wants.

Assurance, a guarantee or indemnity. [See *Insurance*.]

Attachment, a legal warrant for seizing a man's person or goods.

Auction, a method of selling goods to the highest bidder.

Auctioneer, one who sells goods at auction.

Auditor, a person appointed and authorized to examine accounts, compare vouchers, etc.

Average, a term used to denote damages or expenses resulting from accidents at sea; the mean time for the payment of several items due at different times.

Avoirdupois, the common standard of weight for all commodities except precious metals and drugs.

B **BALANCE**, a term used to denote the difference between the sides of an account, or the sum necessary to make the account balance; an account in the Ledger, showing resources and liabilities.

Balance of Trade, the difference between the value of imports and exports.

Ballast, a heavy substance placed in the hold of a ship to keep her steady in the water.

Banking, the business of a bank.

Bankrupt, one who is unable to pay his debts.

Bill, a general name given to a statement in writing.

The following are some of the technical names of bills:

Bill of Exchange, an order drawn on a person in a distant place, requesting the payment of a sum of money.

Bill of Entry, a written account of goods entered at the Custom-House.

Bill of Right, a form of entry at the Custom-House by which the importer may examine his goods.

Bill of Lading, a list of goods shipped, having the signature of the master of the vessel, or the proper officer of the transportation company.

Bill of Parole, an account given by the seller to the buyer, of articles and prices.

Bill of Sale, a writing given by the seller of personal property to the buyer, equivalent to a deed.

Bill of Health, a certificate from the proper authorities as to the state of health of a ship's company on leaving port.

Bill of Mortality, a certified account of the deaths at a certain place, during a certain period.

Bill of Credit, a document for raising money on the credit of a State.

Board of Trade, an association of business men, for the general advancement of commercial interests.

VOCABULARY OF MERCANTILE TERMS.

bona fide, in good faith.

Bond, a deed by which the party binds himself, his heirs, executors and assigns to the performance of certain conditions.

Bonded Goods, those which remain in the Custom warehouse until the duties are paid.

Bottomry Bond, a mortgage on the bottom of a vessel, that is, on the vessel itself, for the repayment of money loaned.

Broker, a trader in stocks, money, or other commodities.

Brokerage, the commission or percentage charged by a broker for services.

CAPITAL, investment in business.

Carat, the weight which expresses the degree of fineness of gold.

Carriage, the lading or freight of a vessel.

Cashier, one who keeps the cash account; the financial officer of a bank, railroad, or mercantile house.

Carrier, one who carries goods for another.

Charter, an instrument bestowed with form and solemnity, bestowing certain privileges and rights.

Charter-party, a contract between the owner of a ship and the freighter.

Clearance, a certificate from the Custom-House that a ship has permission to sail.

Clearing, the obtaining of permission for a ship to leave port; the exchanging of drafts and settlement of balances between different houses.

Clearing-House, the place where the operation of clearing is performed.

Coasting, the trade carried on between different ports of the same country.

Coins, pieces of metal, usually gold or silver, impressed with a public stamp, and used as money.

Commerce, the exchange of commodities.

Commission, a percentage for the sale of goods or other service.

Company, an association of persons for a common enterprise.

Compound, to settle with a creditor by paying a part only of the debt.

Compromise, an agreement embracing mutual concessions.

Consignee, one to whom goods are consigned.

Consignment, goods consigned to be sold on account.

Consignor, one who consigns goods.

Consols, an abbreviation of the term "Consolidated Funds," applied to the chief public stocks of England.

Consul, an agent for a government in a foreign land.

Contaband, an article prohibited from being imported, exported, bought or sold.

Contract, an agreement between two or more parties upon sufficient consideration, to do, or not to do a certain thing.

Contra, on the opposite side.

Copyright, the secured privilege of monopolizing the publication of any book or work.

Counterfeit, a spurious article resembling the genuine.

Coupon, a French word, signifying *cut off*. It is applied to interest warrants, attached to public stocks, bonds, etc. When paid they are cut off from the bond.

Credentia, the official warrant of a delegating power, authorizing the holder to act in a specified capacity.

Credit, trust given to one who owes.

Currency, a term used to express the collective amount of money used in the business of buying and selling.

Customs, the tariff charged by law on imports or exports.

Custom-House, the office where the business connected with customs is transacted.

DAMAGED GOODS, in the language of customs, are goods subject to duties, that have received injury, either in the voyage home, or the bonded warehouse.

Days of Grace, the time allowed by law and usage between the written date of maturity of a note or draft, and the date upon which it must be paid.

Debenture, a certificate of drawback entitling the importer to return duties on goods shipped again.

Debt, an amount owing from one party to another.

Decimal, from the Latin *decem*, signifying ten; any system of computing by tens.

Decimal fractions, fractions having any power of ten for their denominator.

Deed, a written contract, sealed and delivered.

Defalcation, diminution, deducted from.

Defaulter, one who fails to account for money or valuables entrusted to his care.

Delivery, the passing of goods or money from one to another.

Demand and Supply, terms used to denote the relations existing between consumption and production.

Demurrage, forfeit money for detaining a vessel beyond her time.

Denier, a small French copper coin.

Deviation, the departure of a vessel from the course specified in her insurance policy.

Diplomacy, the art of conducting negotiations.

Discount, consideration allowed for the payment of a debt before it is due.

Dividend, division of profits among stockholders.

Drawback, an amount remitted which has been previously paid as duties.

Draft, an order for the payment of money.

Drawee, the person on whom a draft is drawn.

Drawer, the person who draws a draft.

Duplicate, a copy or transcript of any thing.

Duty, a government tax.

EFFECTS, property of any kind.

Embargo, a prohibition laid by the government on ships to prevent their leaving port.

Embezzlement, the illegal appropriation of the funds of a principal by an agent or employee.

Emporium, a commercial center; a mart.

Endorse, to subscribe to any thing; to write one's name on the back of a note.

Engross, to monopolize; to buy up produce for the purpose of affecting the market; to copy in manuscript.

Exchange, the fundamental principle of trade; the species of paper by which debts are paid without the transmission of money; premium and discount arising from the purchase and sale of funds.

Exports, goods or produce carried abroad.

Express, a messenger or vehicle sent on a special errand; a regular conveyance for packages.

FABRIC, manufactured cloth.

Face, the amount expressed on a note or draft.

Factor, an agent employed to transact business for another.

Factory, a house or place where factors reside; a building for the manufacture of goods.

Fac simile, an exact resemblance.

Failure, becoming insolvent.

Fancy Stocks, usually applied to the stocks of joint-companies, subject to fluctuation in price.

Favor, the polite term for a letter received; a note or draft is in favor of the person to whom it is to be paid.

Fee simple, an estate held by a person in his own right.

Financier, pertaining to money; the public revenue.

VOCABULARY OF MERCANTILE TERMS.

Financier, an officer of revenue; one skilled in money matters.

Firm, the general title of a copartnership.

Futbin, a measure equal to nine ale gallons.

Foreclose, to cut the mortgagor off from the equity of redemption.

Foretelling, buying up produce before it gets to market, to enhance the price.

Form, a particular arrangement; a systematic method of expressing facts.

Forecastle, the part of the upper deck of a ship forward of the mast.

Folio, page of a book; usually applied to the two pages opposite each other.

Franc, a French coin, equal to about eighteen cents of American money.

Free Trade, the policy of conducting international commerce, without duties.

Freight, goods being transported; the price of transportation.

Fund, a stock or capital; a sum of money appropriated to some special enterprise; used in the plural to denote wealth, generally.

G A U G I N G, the art of measuring the contents of a cask or other receptacle.

Gain, profit; increase in wealth.

Gratuity, a free gift; a donation.

Guarantee, or **Guaranty**, an undertaking or engagement by a third person that the agreement between two parties shall be observed; a surety.

H A R B O R, a place where ships may lie at anchorage and in safety; a port for loading and unloading.

Itinerant, an itinerant pedler of merchandise.

Highway, a public road or thoroughfare.

High Seas, the waters of the ocean, without the boundaries of any country.

Honor, to accept or pay when due.

Hypothecate, to pledge as security.

I M P O R T, to bring from a foreign country.

Importation, the act of importing; the thing imported.

Indemnity, a guarantee against loss.

Insolvency, the condition of bankruptcy.

Insurance, indemnity from loss; the rate paid for indemnity.

Installment, part of a sum of money paid or to be paid at a certain time.

Interest, the use of money; commonly defined as a percentage allowed by the borrower to the lender.

Inventory, a list of goods enumerated in detail.

Investment, the laying out of money in the purchase of property.

Invoice, a bill of goods bought or sold.

J E T T I S O N, goods thrown overboard to lighten a ship in a storm.

Jointure, an estate in lands settled on a woman, in consideration of marriage.

Joint-stock, property held in common by a company.

Journal, the chief book of the current entries in business.

L E A S E, a contract denoting the use of property for a certain time.

Ledger, the merchant's book of accounts.

Legacy, a bequest; money or property given by will.

Letter of Credit, an open letter of request authorizing the holder to receive money on account of the writer.

Liability, a debt or claim against a person.

License, a legal permission to do a certain act such as selling goods, etc.

Lien, security on land or other property.

Lighter, a large, open, flat-bottomed boat used to carry goods to or from a vessel when loading or unloading.

Lighterage, a charge or commission for carrying goods in a lighter.

Liquidate, to pay or satisfy demands.

Loan, that which is lent for a temporary purpose.

Lucro, gain in money or goods.

M A N I F E S T, a list of the articles comprising a vessel's cargo.

Manufacture, the process of converting raw materials into articles of use and sale.

Manufactory, the place where goods are manufactured.

Marine, a general name for the navy of a kingdom or a state.

Maritime Law, law relating to harbors, ships, and seamen.

Mark, or **Marc**, a weight in European countries for estimating gold and silver.

Maturity, the date when a note or draft falls due.

Maximum, the highest price or rate.

Mercantile Law, law pertaining to business transactions.

Merchandise, goods; the common articles of barter.

Merchant, one who speculates in merchandise.

Minimum, the lowest price or rate.

Mint, the place where money is coined.

Monopoly, the sole right to make or use a certain article.

Monetary, relating to financial matters.

Mortgage, the transfer of property to secure the payment of a debt.

Mortgagor, the person to whom the transfer is made.

Mortgager, the one who makes the transfer.

N A V I G A T I O N, the science of conducting ships or other vessels from one port to another.

Net, or **Nett**, that which remains of a weight or quantity after certain deductions.

Net Proceeds, the amount due a consignee, after deducting charges attending sales.

Nickel, a scarce metal resembling silver; used in the composition of the new cent coin of the United States.

Notary Public, an officer whose chief business it is to protest paper for non-payment.

Note, an incidental remark made for the purpose of explanation; a written obligation to pay money or goods.

P A R, equal in value.

Partnership, an agreement between two or more persons to share in the profit and loss of any enterprise.

Pawnbroker, a person who advances money on goods, having power to dispose of the same if the money is not refunded as per contract.

Policy of Insurance, contract between the insurer and the insured.

Portage, the amount paid by a captain in running his vessel; the price of carrying.

Premium, the sum paid for insurance; the excess of value above par.

Price Current, a list of merchandise, with market value.

Principal, an employer; the head of a commercial house; the sum loaned upon which interest accrues.

Protest, a formal notice to the sureties of a note or draft, stating that the same was not paid at maturity; or to the drawer of a draft stating that the same was not accepted upon presentment.

ABBREVIATIONS AND CHARACTERS.

QUARANTINE, restraint of intercourse to which a ship is subjected, upon the supposition that she may be infected with disease.

RATE, price; amount above or below par.

Rebate, reduction for prompt payment.

Receipt, a written acknowledgment of having received money or other value.

Reprisal, the act of seizing ships or property as indemnity for unlawful seizure or detention.

Receivours, effects—property of any kind.

Revenue, the annual produce of rents, excise, customs duties, etc., collected by a state or nation.

SALVAGE, an allowance made by law for the saving of a ship's cargo from wreck or fire.

Sample, a specimen.

Seaworthy, in a proper condition to venture to sea.

Seize, to take possession of by legal process.

Shipment, goods shipped; the act of loading a vessel for voyage.

Sight, the time of presenting a bill to the drawee.

Signature, the name of a person written by himself.

Solvent, sound; able to pay all liabilities.

Sounding, trying the depth of the sea, and the nature of the bottom.

Stock, capital in trade; the title of the proprietor of a business.

Stocks, shares in joint-stock companies, and negotiable debts of governments and corporations, drawing interest.

Stock-jobber, one who deals in stocks.

Surety, indemnity against loss; a person bound for the performance of a contract by another.

TARE, an allowance or discount for the weight of boxes and other receptacles of merchandise.

Tarif, a list of prices; duties on imports and exports.

Teller, an officer in a bank who receives or pays money.

Tender, an offer for acceptance; a legal tender is an offer of such money as the law prescribes.

Tonnage, the weight of a ship's lading; the capacity of a vessel.

Transfer, to convey from one to another.

Trustee, a person trusted; one to whom some special business or interest is committed.

USANCE, business custom or habit which is generally conceded and acted upon.

Usury, illegal interest; formerly, any consideration for the use of money.

VEND, to sell, or transfer for a consideration.

Voucher, a written evidence of an act performed, such as the payment of money.

WAGES, compensation for services.

Warehouse, a building in which goods are stored.

Ware, merchandise of any kind.

Wharfage, money paid for the use of a wharf.

Wreck, the ruins of a ship stranded.

Wreckers, persons employed in saving property from a wreck.

ABBREVIATIONS AND CHARACTERS.

ABBREVIATIONS.

Ac't.....Account.
Am't.....Amount.
Ans.....Answer.
Apr.....April.
Ass'd.....Assorted.
Aug.....August.
Bal.....Balance.
B. B......Bill Book.
BM.....Barrel.
B. Pay.....Bills Payable.
B. Rec.....Bills Receivable.
Blk.....Black.
Bought.....Bought.
Brought.....Brought.
Cap.....Capital.
C. B......Cash-Book.
Co.....Company.
Com.....Commission.
Cons'd.....Consignment.
Cr.....Creditor.

Dec.....December.
D't.....Draft.
Do.....The same.
Dos.....Dozen.
Dr.....Debtor.
D's.....Days.
ea.....Each.
E. E......Errors excepted.
E. & O. E......Errors and omissions excepted.
Emb'd.....Embroidered.
Eng.....English.
Ex.....Example.
Exch.....Exchange.
Exp.....Expenses.
Fav.....Favor.
Feb.....February.
Fig'd.....Figured.
Folio.....Folio.
For'd.....Forward.

Freight.....Freight.
Gal.....Gallon.
Hhd.....Hogshead.
I. B......Invoice Book.
Ins.....Insurance.
Inst.....Instant.
Int.....Interest.
Inv't.....Inventory.
Jan.....January.
lbs.....Pounds.
L. F......Ledger Folio.
Mar.....March.
Merchandise.....Merchandise.
Mo.....Month.
No.....Number.
Nov.....November.

Oct.....October.
O. I. B......Outward Invoice Book.
P......Page.
Pay't.....Payment.
P. C. B......Petty Cash Book.
Pd.....Paid.
Pkg.....Package.
Pr.....Pair.
pr, per.....By.
Prem.....Premium.
Pie.....Pieces.
Rec'd.....Received.
S. B......Sales Book.
Sept.....September.
Ship't.....Shipment.
Sund.....Sundries.
Yds.....Yards.
Yr.....Year.

CHARACTERS.

@...At.
%...Account.
%...Per cent.

#...Number.
+...Sign of addition.
-...Sign of subtraction.

x...Sign of multiplication.
÷...Sign of division.
=...Sign of equality.

1/4...One and one-fourth.
1/2...One and two-fourths.
3/4...One and three-fourths.

TIME TABLE.

SHOWING the time in months or days from any day in one month to the corresponding day in any other month.

FROM	TO	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
JANUARY.	Months.	12	1	2	3	4	5	6	7	8	9	10	11
	Days...	305	31	50	90	120	151	181	212	243	273	304	334
FEBRUARY.	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	334	305	28	59	89	120	150	181	212	242	273	308
MARCH...	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	308	337	365	31	61	92	122	153	184	214	245	275
APRIL.....	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	275	306	334	365	80	61	91	122	153	183	214	244
MAY.....	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	245	276	304	335	365	31	61	92	123	153	184	214
JUNE.....	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	214	245	273	304	334	365	30	61	92	122	153	183
JULY.....	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	184	215	243	274	304	335	305	31	62	92	123	153
AUGUST...	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	153	184	212	243	273	304	334	365	31	61	92	122
SEPTEMBER.	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	122	153	181	212	242	273	303	334	365	30	61	91
OCTOBER.	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	92	123	151	182	212	243	273	304	335	365	31	61
NOVEMBER	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	61	92	120	151	181	212	242	273	304	334	365	30
DECEMBER	Months.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Days...	31	62	90	121	151	182	212	243	274	304	335	365

EXPLANATIONS.

Suppose the time be required from July 10 to September 10. Find July in the left-hand column, and follow out the line to the right until you come to September; the number of months is 2, of days 62. If the date to which we reckon be either greater or less than the one from which we reckon, the difference should be added or subtracted as the case may be. For example: How many days from February 1 to August 31? By following out the February line to the August column, we find the time from February 1 to August 1 to be 131 days, to which if we add 30, the difference between 1 and 31, the time required will be 211 days. If the time be required between February 28 and August 1, we find the time from February 28 to August 28 to be 181 days, from which, if we subtract 27, the difference between 1 and 28, we get for the number of days, 154.

The Table is one of quite common use, but is none the less important. It may be used to great advantage in the processes of averaging.

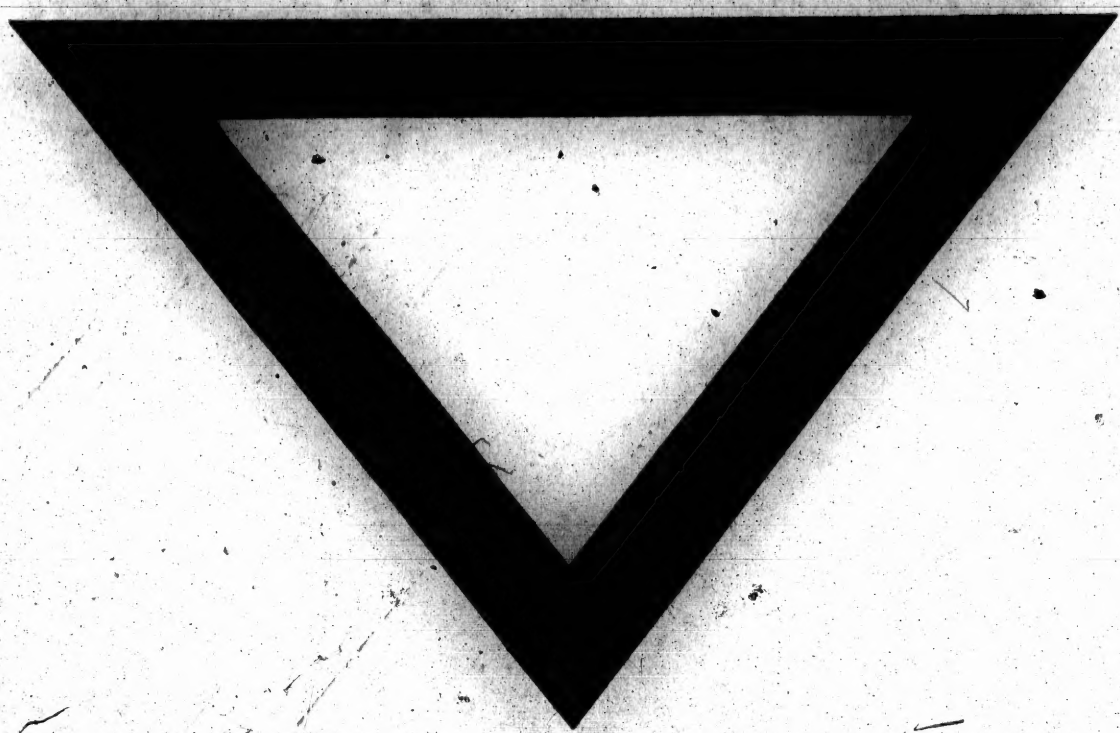
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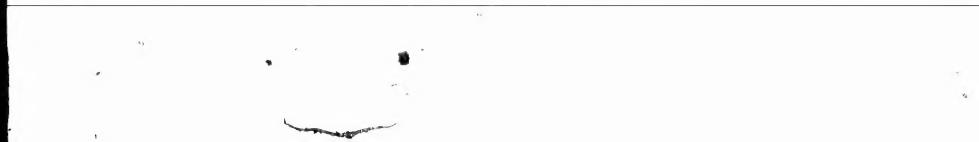
Dec.	11
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